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**POLITICS FROM WITHIN**  
**1911-1918**





# **POLITICS FROM WITHIN 1911-1918**

**INCLUDING SOME RECORDS OF  
A GREAT NATIONAL EFFORT  
BY THE**

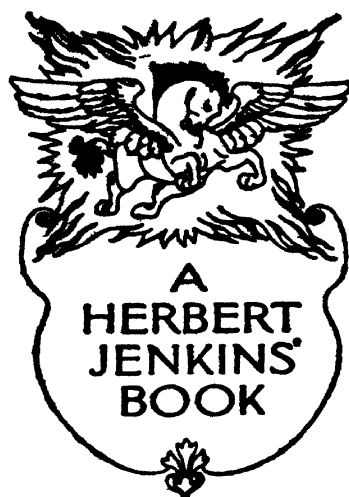
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**FORMERLY UNDER-SECRETARY AT THE BOARD OF  
EDUCATION AND AT THE MINISTRY OF MUNITIONS.  
LATER, IN SUCCESSION, MINISTER OF MUNITIONS,  
OF RECONSTRUCTION, AND OF HEALTH**

**WITH A FOREWORD BY THE  
RT. HON. LORD CARSON**

**VOLUME II**

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# POLITICS FROM WITHIN

## CHAPTER I

### HOW FAMINE WAS AVERTED I THE USE OF BRITISH SHIPS

Losses to the End of 1916—Runciman's Forecasts—Curzon's Committee, December, 1916—Previous History—Curzon—Maclay and Men at the Ministry of Shipping—How British Ships were being used—Orders to Requisition—Shipowners' Profits—Improved Use of Shipping—A Glance Forward—The Maritime Council—Tonnage Priority—The Port and Transit Committee

**A** NEW Government had been formed in December, 1916, full of good resolves, as new Governments always are or ought to be. It did not look as if our Armies would be broken in the field, their strength, both for the offensive and the defensive, was growing daily. There had ceased to be any possibility of naval defeat, or even of serious action so far as the battle fleets were concerned, for the battle of Jutland, despite its handling and inconclusive ending in the gathering gloom, had resulted in such damage to the enemy battle fleet that German naval policy was being directed to the alternative of submarine warfare.

The overshadowing questions at that time were: What success would attend this new and ruthless form of submarine attack? Should we be able to bring in all the supplies necessary for the people at home, as well as for the transport, sustenance and equipment of our armies in the field?

The losses of British shipping had already been enormous, but we knew that with the opening of the New Year hostile submarine activity was to enter upon a new and more ruthless phase. From the beginning of the war to the end of December, 1916, 639 British ships had been sunk by enemy action, with a loss of tonnage amounting to 2,295,329 tons; but 338 of them with a tonnage of 1,220,246 had been sunk during 1916, and the rate of sinking was rapidly increasing.

This, however, did not represent the whole of the loss of the British Mercantile Marine, because, apart from its use for home purposes, our ships had to give more and more help to our Allies, and thereby were diverted from relieving our own necessities. French and Italian losses of vessels of all sizes by the end of 1916



had amounted to 379 vessels, with a total tonnage of 613,654, and no less than 321 of them had been sunk during the year 1916. Moreover, many of our supplies had been brought in neutral ships, and the neutrals, by December, 1916, had lost 648 ships, of which 438 had been sunk during 1916; and the diminution of their tonnage up to that time had exceeded 950,000 tons. Even these totals of loss in addition to the diversions from home services did not represent all the reduction in our importing power, because apart from vessels sunk, a goodly number had been damaged and had struggled into port to undergo more or less prolonged repair.

The most sanguine of the estimates supplied to us in December, 1916, revealed that at least we ought to budget on the assumption that we should lose more vessels during 1917 than during the whole previous part of the war, and if American shipping shared the same fate as the rest the losses would be even greater still.

So far as official prognostications went the prospect was desperate indeed. The position had been placed before the Cabinet by Mr. Runciman, as President of the Board of Trade, on November 9, 1916.

He had reported that—

"We start this winter with a shortage which we see no means of filling by building, buying or chartering, of a deficiency estimated at 400 steamers of 4,000 gross tons. This is the deficit after we have exhausted every civil economy suggested to us or thought of by our experts or by Members of the Government and the Departments."

The existing shortage of vessels for carrying food was stated to be as follows—

"The Transport Department of the Admiralty have requisitioned in a month for all the present requirements of the Wheat Commission no less than 60 steamers, and this is 40 below their immediate needs. I am informed that they cannot at present find the 40 free vessels for this essential service, and beyond the 100, of which 40 are unobtainable, they must secure 80 per month for the next seven months."

This shortage of tonnage, he forecasted, would be increased as follows—

"If losses of vessels go on at the 1916 pace we shall be deprived of a further 200 vessels of 700,000 gross tons by June, 1917, and in the same period we shall have completed only 40 new steamers of about 250,000 gross tons provided material is allotted to the shipyards and engine works."

His conclusion was in the following dismal terms—

"For this and other reasons my expert advisers believe that I am far too sanguine in advising the War Committee that the complete breakdown in shipping will come in June, 1917, they are convinced that it will come much sooner than June."

This document was followed on November 22, 1916, by a memorandum on *Some Practical Proposals on Merchant Shipping*

In this paper it was stated that the necessary addition to the tonnage available for the carriage of food and essential raw materials could only be obtained by simultaneously adding to the rapidity of discharging cargoes in our ports and by constructing cargo vessels without interruption by other national work, shortage of labour or shortage of material. Both these things were very desirable, but unfortunately, no practical proposals were submitted for achieving either of them—Happily for the nation, we soon found that they did not cover all the possibilities of obtaining additional tonnage—It was also pointed out that the most urgent need of the moment was the provision of additional ships to feed this country and our Allies before the next harvest, and this was stated to involve the devotion of a vast amount of additional tonnage to the importation of the Australian harvest

The only definite proposal made, was—

“ That the shortage by which the Transport Department and the Wheat Commission are faced after their requisitioning activities are exhausted each month shall be supplied by vessels taken from those now allotted to naval and military service.”

These documents from the President of the Board of Trade were the most invertebrate and hopeless of any memoranda presented to the Government during the war by a responsible head of a department on a great issue, so far as my knowledge extends. They contained no effective suggestions as to how the difficulties were to be met, for it was obvious that filling the gap simply by taking vessels from the military and naval services would soon involve the extinction of those services themselves.

The menace of the submarine campaign was growing weekly, and the information before us made it certain that with the completion and the training of the German submarines then building or under training we had to look forward to a greatly increased activity, so that, bad as the position had been in November, 1916, it was likely, and before long, to become much worse.

The first essential plainly was that every British ship that could possibly be brought into the national service should be mobilised for that purpose as quickly as possible, and that the interests of private trade, however important, must give way to the necessities of national existence. Moreover, no time should be lost in creating an effective organisation to secure in each port a prompter loading and unloading of ships. Private cargoes also

must give way to the transport of the necessities of life and of war material, and a great effort in new building was called for as well as the use of every possible device against hostile submarines

On December 21, the new Government appointed a group of us to go into the whole supply position and to relieve the shipping of some millions of tons of imports if we could suggest ways of doing so. The Committee consisted of Lord Curzon (Chairman), Sir Albert Stanley (Lord Ashfield), President of the Board of Trade, Sir Joseph Maclay (Lord Maclay), Shipping Controller, and myself. We had the assistance of Sir Maurice de Bunsen from the Foreign Office, Sir Norman Hill as a shipping expert, and Sir Hardman Lever from the Treasury.

A right understanding of the work of this Committee and of the developments that arose from this first effort to deal comprehensively with national supplies requires some reference to the earlier history of the matter, and it may be interesting also to preface it with something of the men chiefly concerned.

Lord Curzon was the only one of us who had had the opportunity of previously reviewing the case. In February, 1916, he had acted as Chairman of a Shipping Control Committee, of which Lord Faringdon, Sir T. Royden and Sir F. W. Lewis were the other members. In their report ten months previously this Committee had described the situation as "grave" and as calling "for immediate and drastic action," and they had made recommendations which, if they had been acted upon, would have spared us many tribulations. They found that a large number of cargo steamers were still unrequisioned, they suggested vigorous requisitioning and a vast reduction in the imports of 1916.

The Board of Trade regarded the proposals as impracticable but expressed the hope of reducing imports to the extent of 4,000,000 tons as compared with 1915. Subsequently, however, this figure was modified to 2,000,000 tons, and, finally, the prohibition of imports applied only to between 1,500,000 and 1,800,000 tons.

This Shipping Control Committee had not specified the reductions in terms of the different commodities, and a host of objections were lodged against their proposals generally. Although, for example, at that time there were good stocks of tea, cocoa and coffee in the country, the proposal to prohibit their import for three months was objected to by the Indian and Colonial Offices. A multitude of Dominion, diplomatic and other reasons led to a weakening of the proposed prohibitions even in articles of luxury, such as brandy, silks, hats, feathers, and so on. Prohibition of

watches was opposed by the Foreign Office on the ground that it would injure Switzerland. Mats, matting, motor tyres, cinematograph films, fancy goods, pictures and perfumery were objected to on one ground or another, and continued to be imported. Pleasure motor-cars were continued to be brought in during 1916 on the ground that there was a need for private cars notwithstanding the space they occupied. From the point of view of tonnage it is true that these things occupied a small proportion, but the maintenance of them was a fair illustration of the strength of the opposition that was encountered, notwithstanding the growing peril to our food supplies. Public opinion would properly have resented a curtailment of food imports whilst cargo space was continuing to be occupied by luxuries.

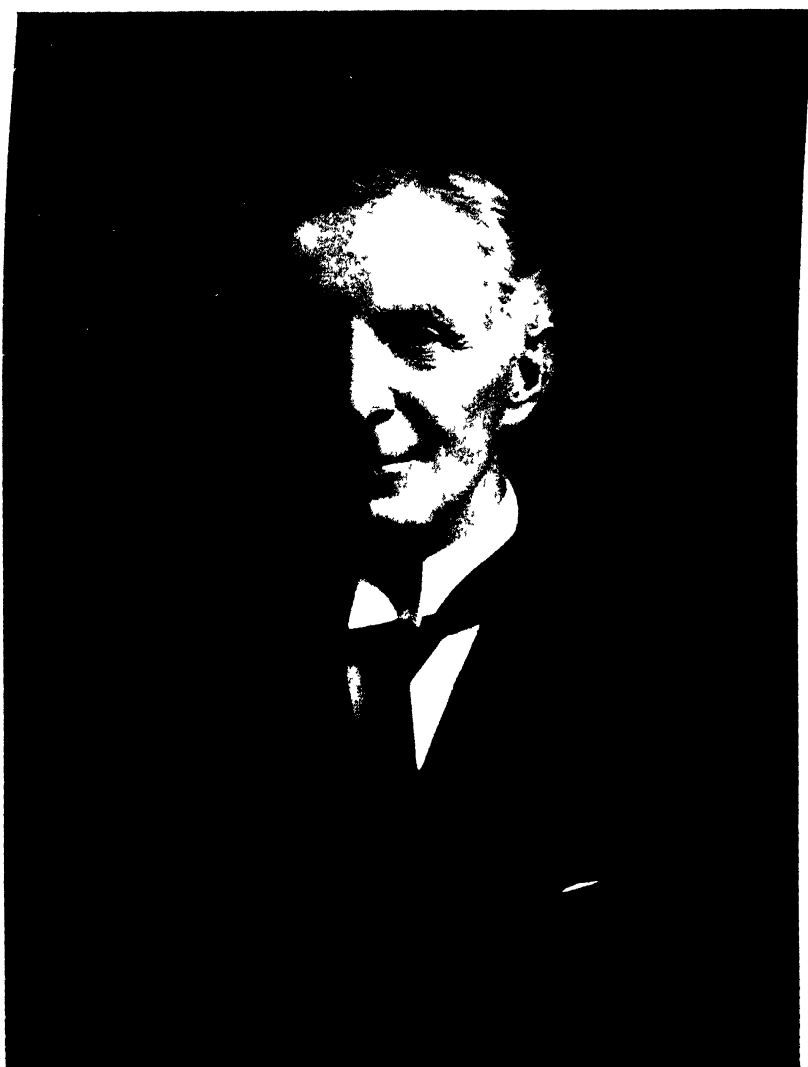
It might perhaps have been claimed with some justice that it was not of much use to recommend that so many millions of tons of imports should be dispensed with without specifying in some sufficient degree what the imports were that we could manage to do without. The business of the Committee, however, had been to make recommendations upon the general policy that ought to be pursued, leaving to the Board of Trade and other departments concerned the work of translating them into detailed proposals. From the experience we gained on Curzon's Committee in January, 1917, one could understand that there would have been some force in such a contention if it had been put forward, for the task of formulating proposals for a great and immediate cut in imports was very intricate and difficult, but we found that the thing could be done, and it was done.

The response to the proposals of Curzon's Shipping Committee in February, 1916, had been almost ridiculous, and there is no escaping the conclusion that the failure to effect great curtailments was due to a lack of determination to do so. Objections were rightly urged and needed consideration. Some needed to be overruled and others could have been surmounted. The insignificant limitation of imports had made no material effect upon the situation, so that we found ourselves confronted with the same task ten months later, in much more straitened circumstances. One thing was obvious whatever the objections might be—departmental, diplomatic, trade or otherwise—imports that we could do without had to be gone without if the nation was to be fed and sustained in its efforts to carry on the war. Moreover, it was necessary to specify in detail the things that were to be dispensed with and what expedients were required to overcome immediate or prospective shortages. In a task of this kind Curzon, as our Chairman, had one that he is peculiarly fitted to discharge, for he is a man who

does not lose sight of big necessities, whilst he takes a delight in wrestling with the details which go in the aggregate to make up the case itself.

Maclay was a new personality to most of us. The selection of him for Shipping Controller was one of the signal events of the war. So far as I know, the circumstances connected with it were that at one of our earliest conferences at the War Office, Bonar Law—who had known him well for a number of years—suggested him to the Prime Minister. Lloyd George knew him also and welcomed the proposal. Maclay was sent for in the same prompt way that Fisher was from Sheffield, and within an hour or two of his arrival in town found himself, in spite of his own protests, in the position of Dictator of British Shipping.

We knew that he was a great and much respected figure in the shipping world, a man of high integrity and much trusted, but most of us, up to then, knew little more of him than this. It was my good fortune from then onwards to have a great deal to do with him. He hated display. Nothing would persuade him to come into Parliament, either in the Lords or Commons. He had undertaken the job of Shipping Controller and he would do it, but parliamentary life—No. Underneath Maclay's calm, almost benign, manner he conceals an unflinching resolution. There is much that looks like Scotch stubbornness in it, but I always found that "stubbornness" was not the word, for his decisions were always founded upon a reasoned and clear-sighted recognition of the necessities of the case. He knew also who were the axe-grinders in the shipping world—and there were a good many of them, and they filled their pockets pretty extensively at national expense during the war. If anyone takes the trouble to look down the list of that splendid band of advisers and helpers from the shipping world whom Maclay got round him to help in the Ministry of Shipping, and compares it with the list of some of the best-known names of men prominent in shipping circles, he will find some interesting and, indeed, significant omissions. On several occasions, as a matter of interest in our conversations, I would enquire why so-and-so had been selected, or why somebody else had not been called in to help, and he always had a good reason that never related to any question of personal likes or dislikes. Apart from his outstanding knowledge of his job and determination to do it, the most striking fact about him was his choice of men to help in the Ministry of Shipping. It was his habit to have regular conferences with his chief men, as we did at Munitions, and he had a sort of Board Meeting every morning. Sir Thomas Royden (Chairman of the Cunard Company), Sir Kenneth



THE RT. HON. LORD MACLURE

*Photo by Lafayette*



lerson (Chairman of the Orient Company), and Sir Frederick (Chairman of the Furness Company) were the expert heads of different departments of the work, and they worked with him on a Shipping Control Committee.

Three other men also should be referred to at this place. Sir Chiozza Money had been appointed Parliamentary Secretary to the Ministry of Shipping, and two men more unlike in their position and point of view than Maclay and himself it would be difficult to imagine. As a friend of both, the evidences of it were often quite frankly discussed with me, but no man had a deeper affection and respect for his chief than Money had for Maclay. The financial side of requisitioning ships, the great scheme of merchant shipbuilding and the convoy controversy were subjects on which Money's fertile mind rendered most ingenious and valuable contributions. He was straining at the leash all the time, but his unbounded enthusiasm and ingenuity were always in evidence, and his early and useful memorandum on the financial side of ship requisitioning is made use of in these pages.

The Civil Service side of Maclay's Department was organised by Sir John Anderson, now Civil Chief at the Home Office. He came from the Insurance Commission to Maclay, and afterwards to me at the Ministry of Health, but the most difficult task he ever had was as Civil Under-Secretary in Ireland during 1920-1. He is not a man who tolerates inefficients in his team, and I remember that I was very chagrined at the time because he managed to get hold of Sir J. A. Salter from the Insurance Commission, whom I had been wanting to enrol at Munitions. Salter, like so many other men of his type, had had a great diversity of tasks, and he is now one of the chief assistants on the staff of the League of Nations Council, at Geneva.

These men together, with Maclay, organised a department that became, with a minimum of fuss and of elaboration, one of the most efficient agencies of the war.

To return now to Curzon's Committee

There were some ways in which relief could be obtained fairly quickly, and there were others from which little could be hoped for before harvest-time, although afterwards they should become increasingly important.

The immediately operative group consisted of—

1 Making a much better use of what British shipping there was, and

2 Relieving our shipping of any dispensable tonnage

The later class included—



- 1 Obtaining the use of more neutral tonnage and of detained enemy ships ,
- 2 Increasing the home production of ships, food and of other essential materials that were a burden on tonnage , and
- 3 Increasing the effectiveness of the measures, offensive and defensive, against hostile submarines

### THE USE OF EXISTING BRITISH SHIPS

Although the prospect was worse than many of us had imagined, a full exploration of it afforded some substantial grounds for hope. On the one hand, from Admiral Jellicoe downwards we were told that for some months to come sinkings due to submarine activity would be likely to increase, and might increase very greatly, and that we could not look forward to the increased effectiveness of the defensive and offensive measures against them before July. On the other hand, a review of the shipping that could be brought under the direction of the Ministry of Shipping provided some comforting, if startling information. It came in answer to our enquiries as to what shipping there was on the British Register , where it was, and how it was employed ?

A report from the Ministry of Shipping gave the necessary particulars in full detail

As to requisitioned ships,

"there were 260 passenger vessels of more than 1,600 gross tonnage under requisition, and 2 more under notice, with a total tonnage of 1,278,432 tons. Of these, 178 were employed for Navy or War Office purposes, and the remainder, save 9, were allotted to Australian, New Zealand and Indian services

"There were 384 cargo vessels, tramps and liners above 1,600 gross tonnage employed for the Navy, 301 for the War Office, and 933 others engaged in wheat, sugar, ore, timber and other carriage for Home, Dominion or Allied purposes, giving a total of cargo vessels employed for these purposes of 1,618, with a total tonnage of 6,121,184 tons "

Beyond these, however, there were 482 passenger vessels above 1,600 gross tons free from requisition with a total tonnage of 2,862,071 tons, and 1,012 cargo vessels and liners above 1,600 tons, similarly free from requisition, with a total tonnage of 4,143,818 tons. It was surprising to find so large a number of free vessels in view of the statement of the President of the Board of Trade in the previous November, that

"we start this winter with a shortage which we see no means of filling by building, buying or *chartering*,<sup>1</sup> of a deficiency estimated at 400 steamers of 4,000 gross tons "

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<sup>1</sup> My italics

No less surprising also was the further comment that

"this is the deficit after we have exhausted every civil economy suggested to us or thought of by our experts or by Members of the Government and the Departments."

An analysis of the 482 free passenger liners revealed the fact that 107 of them were trading abroad and not coming to the United Kingdom at all, and that 87 of these were in the Indian, Chinese and Java Seas. A further 309 were on berth in different places, of which 259 traded to the United Kingdom from different parts of the world, and 50 did not trade here at all. An examination of the 1,012 free cargo vessels, tramps and liners showed that 103 of them did not trade to the United Kingdom at all, 496 regularly traded to the United Kingdom, and the rest either to neutral countries or to foreign, home or Dominion ports, as the case might be.

When every allowance had been made for the cargoes of those free vessels that traded to the United Kingdom, it was perfectly evident that we had here a margin which had by no means been fully used. But notice was required to bring a vessel into requisition, and time must elapse before they could be brought into the national service, especially when they were in distant waters.

The objection urged by some people that the Ministry of Shipping would not be able to exercise an effective control over a vast number of ships was clearly dictated much more by an objection to control at all than by the magnitude of the task itself, for, although there were some 20,000 ships on the British Register, only 5,000 of them were ocean-going, and of these there were only about 3,500 at that date above 1,600 gross tons register, and these last alone came into effective consideration. There was no question of requisitioning ships that were not required, but it was obvious that the management of the ships, so far as their number went, was not a task in any way beyond the capacity of the experienced men at the Ministry of Shipping.

We therefore had no difficulty in deciding—

1. That distant liner trades must be reduced, and
2. That other lines must be ruthlessly scrapped wherever their work is dispensable or can be undertaken by neutrals whom we cannot get for United Kingdom trade.

An additional 50 vessels were immediately requisitioned, and, without dipping into the future too far at this point, it may be mentioned that, by March 20, 1917, 200 extra vessels had been requisitioned.

The financial aspect of this matter was also important. Sir

Charles Fielding was appointed by me as the representative of the Ministry of Munitions on the small body of experts that were told off to consider possible reductions of imports in detail, and it was pointed out in a memorandum he submitted that

"if we chartered in 1917 the same neutral tonnage for imports as we did in 1916 at the rates recently paid on time charter, namely, 47s 6d. a month and insurance, we should pay the foreign shipowners about £45,000,000, whilst the same amount of imports carried in requisitioned British ships would cost £11,000,000."

He was very emphatic also that there were

"sufficient British ships if they were all pressed into the service to meet the needs"

In this connection comment must be made on the payments for requisitioned ships as well as on the profits which some shipowners had been making. In a memorandum submitted by Chiozza Money on January 26, 1917, and in which the calculations as to profits were confirmed by Salter of the Shipping Ministry, and by Sir Josiah Stamp of the Inland Revenue, it appeared that, during the first twenty-six months of the war, apart entirely from the profits of the passenger liners, the following table represented the profits of tramps and cargo liners—

	Net profit first 26 months of war	
	A Insurance at pre-war values	B Insurance at full values
Ocean tramps, 1,666 . .	£135,000,000	£116,000,000
Cargo liners, 1,108 . .	103,000,000	89,000,000

It was agreed that the net profits of British shipowners for cargo and passenger vessels together up to that time during the war, after allowing for insurance upon inflated ship values, were well over £300,000,000. In addition to this there had been an appreciation of capital values of a further £300,000,000, on which, of course, no taxation had been paid, and it was demurely remarked that

"in some cases shipowners have sold out of the shipping trade altogether and made great untaxed fortunes."

There was, moreover, no hardship in the Blue-book rates under requisition, for they provided a profit of 12 per cent. after allowing insurance at inflated values. At pre-war values it would have been 30 per cent. The fact that individual initiative and private management may be best adapted to carrying on shipping in the interests of private trade during peace-time—as some prominent men in the shipping world were continually drumming into our ears in very strident tones—had nothing whatever to do with the case. Many

of the ships were being kept busy in distant waters, earning the most unholy profits, and giving the nation no manner of help, and only compulsory requisitioning could bring them to our aid. The alarming increases in submarine sinkings that took place whilst the Committee was sitting in January, 1917, made it clear enough that unless we could mobilise every available ship and exercise the most frugal economy in the use of all that were mobilised, we should be reduced to starvation in six months' time.

There are some people in the shipping trade renowned for their patriotic fervour and as advocates of the latter-day economy, who appeared in those days to have no compunction in keeping their ships in distant seas earning prodigious profits. I often used to say then, and I think still, that if the public could have been provided with an account of the disposition and earnings of their ships in those times of national peril, some owners might have found an end on the nearest lamp-post, and there would have been some rough justice in it. Their action betokened a sentiment akin to that of Foulon there was a real risk that the people might have had to "eat grass" before the harvest.

#### IMPROVED USE OF SHIPPING

Another important contribution made possible through the organisation and direction of an efficient Shipping Department was the better and more scientific use of the shipping that was employed. In this respect the efforts of the Ministry of Shipping exceeded our most sanguine anticipations. We could not escape from the loss of carrying power that arose from ships having to take longer voyages in order to escape danger zones, from the loss of efficiency that resulted from many of the best seamen having been taken for naval purposes, as well as from the circumstance that the submarine campaign tended to keep neutrals away and prolong the time that ships were kept in ports when submarines were reported to be about. Great gains, however, could be effected in shortening the time of loading and unloading and in shortening some voyages. Desirable as it was to bring the wheat harvest from Australia, its transport, as compared with the carriage of the same amount of grain from America, represented an absorption of nearly an additional two million tons of shipping. Soya beans from Manchuria must be gone without when corresponding products could be obtained from West Africa. In addition to this form of economy, the powers of the Ministry to manipulate shipping generally had, in effect, as substantial a result almost as the powers of requisitioning. Vessels were taken, for instance, from the coastal China trade to replace Mesopotamian vessels, and thereby released

twenty-five steamships, others were saved by the diversion of liners from distant to nearer waters, although not always to home waters. A considerable number of vessels were concentrated for moving wheat from Archangel, and savings were effected in fodder and munition tonnage. By these and other various devices we obtained collectively a gain of 310 ships by the end of April, apart from any new building.

In the course of a short time the requisitioning of British shipping for practical purposes had been made complete, and British ship-owners had become in effect agents of the Government, working at a limited rate of profit. Apart from the economy in payments obtained in this way, it meant that all the stores required could be arranged for and directed by those who had oversight not only of British but of Allied requirements. In order to secure this complete oversight and direction, an Allied Maritime Transport Council was established that worked in association with the Ministry of Shipping, and France and Italy agreed that this body should be in charge of all the arrangements for their imports. In November, 1916, a Wheat Executive had come into being that controlled, for ourselves and for the French and Italian Allies, all the purchases of wheat and cereals, but the Maritime Council had control not only over the imports, but of all the shipping that carried them.

A Tonnage Priority Committee established on my suggestion by Curzon's Committee worked under the Chairmanship of Chiozza Money, and its work gradually became so extended and refined that practically only essential cargoes were brought into the United Kingdom. This entailed, unfortunately, the modification of many industries and loss of much re-export trade, but just as we found when men surrendered their works and goodwill to take up munitions, so, when traders had had the case frankly explained to them, they freely lent their aid to the new scheme of operations, although I am sure, with the competition which was even then going on in distant markets by Japanese, American, Indian and other traders, the whole of their business interests was often placed in jeopardy.

Another important contributory cause of relief was the full loading of ships that came to be instituted, so that in relation to its tonnage the proportion of imports which the different ships carried was greatly increased. Those who had the opportunity of seeing some of the incoming ships crammed to the utmost with essential cargoes will realise full well what this involved. The spectacle was almost comical sometimes, but it was uncommonly comforting.

A Port and Transit Committee—after confabulations akin to those that we had had at Munitions on the alteration of workshop and trade-union practices—effected a transformation in loading and unloading methods which gave us a saving of time in the turning round of ships which eventually even exceeded Sir Norman Hill's original estimate of what might be achieved. Increased rapidity of turning round and fuller cargoes would not, however, have contributed sufficiently to seeing us through if requisitioning had not meant the concentration of tonnage upon shorter routes. The bringing of every ton of cargo from the nearest possible source of supply, meant unfortunately the breaking up of old-established shipping connections, and the sacrifice, for example, of the transport of the cheaper Australian corn in favour of cargoes from Archangel and across the Atlantic.

Drastic and comprehensive as was the exercise of the powers of the Ministry in all these directions, the greatest tribute, I think, to Maclay and his men, was that, so far as I know, the management of this gigantic business was never, either then or afterwards, subjected to criticism on any ground of inefficiency, indeed, as I said at the beginning of this review of Maclay's activities, his organisation was perhaps as efficient as any that came into operation during the whole period of the war.

## CHAPTER II

### HOW FAMINE WAS AVERTED 2 REDUCTION OF IMPORTS

A Reduction of 6,000,000 Tons necessary—Babington Smith—Norman Hill—The Cabinet and Voluntary Rationing—Food Imports—Some Reductions—The Heavy Tonnage of Iron Ore and Timber—The Lack of Afforestation Policy—Other Reductions—Munitions Imports—The Civil Servant Expert—Phillips

THE chief task of Curzon's Committee was to prepare a scheme that would secure a big reduction in imports during the year 1917, as compared with 1916

Norman Hill, our adviser on tonnage statistics, urged that we should provide against a loss of British carrying power of 500,000 tons per month at the least

During the weeks of January, when we were at work, the submarine sinkings of British vessels were as follows—

Week ending	Ships sunk	Tonnage
January 7 . . .	9	41,218
14 . . .	7	19,733
21 . . .	17	93,950
28 . . .	11	50,799
	<hr/>	<hr/>
Totals . . .	44	205,700

During the last three months of 1916 the number of vessels sunk had been as follows—

October . . . . .	22
November . . . . .	27
December . . . . .	23

Von Tirpitz was beginning to make good his threat.

We therefore did not hesitate to prepare a scheme providing for a reduction of 6,000,000 tons during the year, although it was already beginning to appear as very likely that a reduction even of this amount would prove to be insufficient. There was no time to be lost, and it also was necessary that some organisation should be set up in association with the Ministry of Shipping which would

be competent to deal with the case in a scientific and considered way from that time onwards as events developed.

Sir Henry Babington Smith, K C B , undertook the Chairmanship of a strong inter-departmental body that sat from day to day with the instruction to report to the Cabinet Committee within a fortnight. They were charged to prepare a detailed scheme for effecting the necessary reduction, going through the imports in detail and acting on certain general principles. Briefly, these principles were—

1. We must continue to import the necessities of life for the people and things indispensable to their production, manufacture and distribution.

2. We must continue to import sufficient quantities of things necessary for war purposes, so far as they could not be produced or were not in adequate stock at home.

- 3 Beyond these—both from the point of view of supporting the Exchange and for providing employment outside war industries—it was necessary to continue to import, so far as possible, the raw materials of goods manufactured at home and of those exported

- 4 Manufactures and materials not necessary for any of the above purposes should be the first to be excluded or reduced.

In this case, just as we had found in regard to the supply of steel, it was necessary to be able to assess the relative importance of the claims of the different War Departments and of civilian needs, in view of the fact that energetic and forceful War Departments might be tempted to insist on some claims which, on examination, would be found to be of less consequence than some civilian need. In order to secure that in future Maclay might have the benefit of critical advice on such requests for imports as were put before him, a strong inter-departmental Priority Committee was appointed, and it continued to function with immense advantage to the end of the war.

In all this work we owed a great deal to Norman Hill's wide knowledge and considered advice. I rather think that from the time of the Shipping Control Committee in February, 1916, he had been to some extent a man crying in the wilderness, and a prophet was never more justified by events than he was. The work he had done during the previous ten months saved us much precious time, apart from its own intrinsic value

We had to cut 6,000,000 tons off somewhere. Where was it to come from ?

Until there was some effective control over food consumption and distribution, and until we had some better guidance as to what could be dispensed with, it was clearly impossible to interfere



much with food imports. The only result of haphazard action would have been to force up prices and consequently to limit the supplies of many of those people whose working capacity it was of the utmost importance to maintain.

We stated our belief that the imports of foods and feeding-stuffs could be curtailed without allowing the supplies to fall below the amounts necessary for health and efficiency if a general system of control of the most important of them were established, and that this control would be inevitable if a more substantial reduction in imports came to be required than we were then called upon to budget for. In other words, much more extensive machinery than we then possessed for securing the fair distribution of food and for regulating prices would be necessary if the amounts that were brought into the country were to be curtailed.

At that time voluntary meatless days had been instituted, and, whatever might be the case with others, the Members of the Cabinet were certainly endeavouring in their private life to set a good example. There will be something to say about these meatless days in a later chapter, but most people, I think, even then, were beginning to find out what a lot of things they could do without if they tried, and there was no more enthusiastic advocate and practitioner of the strictest abstinence in those pre-rationing days than the King himself. From that time, and for more than a year afterwards, the subject of meals provided a more regular and interesting topic of conversation than the weather, and in comparing notes with one another as to the value of different foods, many of us found that British cookery had contrived to invest some of the most important foods with a singular lack of relish. Supplies of Canadian tinned salmon, I remember, were abundant just then, and Walter Long was a doughty champion of their value. I remember that one day Balfour was very distressed at this because for the first time he had had some the day before, and found it thoroughly distasteful and uninteresting. Lloyd George tried to console him with the reflection that he himself had had tinned salmon in France, and had found it dished up in a very appetising form. Balfour acknowledged that there might be some possibility of relief in this consideration, but, so far as he was concerned, he seemed to have had it dished up in all its primitive and distasteful simplicity.

So far as curtailments of food imports were possible, further reduction of the materials used in distilleries and for brewing was inevitable, but it is not necessary to add anything on that matter to what was said in the chapter on explosives in the first volume. We felt compelled also, though with much reluctance,

to take advantage of one group of food-stuffs that gave a useful opening. Oranges, onions, bananas and apples collectively accounted for 750,000 tons of imports, and other fruits and vegetables, including grapes, tomatoes, etc., brought up the imports of this class of food to about a million tons per annum. Valuable as they were, we had to effect substantial reductions here. We could certainly grow the onions at home and a good many of the vegetables. We allowed the bitter oranges for marmalade under licence for a time, but most of the other articles in this class were greatly curtailed.

There were two years' stocks of brandy in the country, four years' stocks of rum, and four and a half months' stocks of tea, so that it was an easy matter to impose limitations upon these and other articles of which we had good stocks, but good stocks, unfortunately, were few in number. The sugar stocks were very bad and imports of sugar urgently needed to be increased rather than diminished, and it was important that the Food Controller should not allow it to continue to be used as freely as it was for making sweets, and we emphasised the necessity of taking measures for ensuring a more even distribution of sugar.

When imports, other than food, were reviewed, we were confronted by the fact that the imports of 1916 were almost identical in tonnage with those of 1915. It afforded a striking commentary upon the poor response that had been made to the requests of the Committee of the previous February, although increases in munitions tonnage had displaced many others.

The following table for the two years indicates the problem in bulk with which the Committee was confronted—

IMPORTS					
		A			B
		Food, drink and tobacco			Raw materials and articles unmanufactured
1915	Tons .	16,700,000	..	22,400,000	. 3,600,000
1916	„ .	15,600,000	..	22,500,000	.. 3,500,000

It is impossible to overstate the peril that arose from our excessive dependence upon overseas supplies of timber and iron ore. Out of the 26 million tons of the imports in Classes B and C of the foregoing table, iron ore and timber accounted for 14 millions, and if the requisitions for them could have been met in 1917, they would have amounted to 15 millions. They absorbed, therefore, more than half the tonnage out of which we were to get most of our reduction of 6 million tons.

Our excessive dependence upon imported iron ores has already

been referred to,<sup>1</sup> but, in January, 1917, notwithstanding submarine sinkings and our diminished tonnage, we were bringing 550,000 tons a month of iron ore from the Bay of Biscay and the Mediterranean, as well as 50,000 tons from Scandinavian countries. Who can pay sufficient tribute to the seamen who continued without intermission to bring it to our shores notwithstanding the risks and the circuitous and difficult voyages they had to make? We wanted to reduce this tonnage—and, indeed, to some extent it was reduced—but a contrary necessity pressed hard upon us. An enormous increase in merchant shipbuilding was essential, and this meant iron and steel in increased quantities. The steel and iron trades did wonders, but how maddening it was to know that whilst we wanted all this extra steel, we had at home immense deposits of ore ready for use, but that our iron and steel works were not sufficiently adapted for their utilisation.

The case of timber, in many respects, was even worse. Although, later on, as Minister of Reconstruction, I secured the preparation and adoption of a great scheme of home afforestation, it is disheartening to know now (in the autumn of 1923) that the dictates of what is called "economy" have cut down the proposals to an almost negligible fraction of what they were, although, at the best, they would not have enabled us to meet our bare necessities for a long time to come. It seems to be almost impossible to *persuade our fellow-countrymen, under the influence of the modern sensational Press, to take long views and to stick to them. It is true that it would not be until our grandchildren's time, or perhaps our great-grandchildren's time, that the public money spent upon afforestation would be repaid in cash; but long before that in useful labour and in priceless development it would have compensated us*

The position, then, was that, whilst the importation of furniture and hardwoods had been trifling, nearly 6½ million tons of imports in 1916 had been taken up by pit-wood and sawn timber, of which the pit-wood imports amounted to about 2 million tons. At the same time we were authoritatively informed that

"there is plenty of timber in the woods of the United Kingdom and France to supply all needs for several years if it can be extracted,"

and the Board of Agriculture told us that, so far as pit-wood went, the woods of the United Kingdom contained sufficient for 1½ years' complete supply "without trenching seriously upon the capital of the woods." As things were, therefore, it was possible to save

much timber tonnage by increasing the supply of home-grown timber if effective steps were taken to do so. Enquiry showed that the necessary steps resolved themselves mainly into three: labour supply, proper facilities for transport, and sawing machinery. The absence of any national afforestation policy in the past had been followed by a deficiency in all these three respects apart from the increasing difficulty in 1917 of obtaining men for any purpose. A number of recommendations, therefore, were made and adopted by the Cabinet which led to the institution of those timber organisations that operated during the last two years of the war and to which we were indebted for immense relief in respect of tonnage. The relief obtained steadily increased, and amounted to 4 million tons in the last year of the war.

One of the bulkiest of the imports, after iron ore and timber, was paper-making material, of which more than a million and a quarter tons had been imported in the previous year. This, however, was one of the few commodities in which there had been a substantial cut in imports during 1916, thanks to the good organisation of the trade and to the sympathetic and patriotic co-operation of the Newspaper Proprietors' Association. Nevertheless, another substantial contribution was obtained from this source.

So far as manufactured articles were concerned, the Committee had to act with a heavy hand, especially with regard to anything that could fairly be called a luxury article. We had before us all the objections that had previously been made, but we recommended even more drastic prohibitions or curtailments than ever, adding that

" we fully realise that the proposed restrictions will raise difficult questions with our Dominions, our Allies and some of the neutrals, and will, when carried into effect, assail, and possibly even for the time being destroy, a number of industrial interests in this country and abroad. We feel, however, that in no other way can the available amount of tonnage now so seriously reduced be made to meet the necessary demands upon it "

The Colonial Office and the Foreign Office put the case frankly and fully before the Dominions, our Allies and the neutrals concerned, and the readiness with which they obtained their acknowledgment of the need was only further evidence of what might have been done months before if the case had been handled with decision.

Finally, a programme of reduction amounting to 500,000 tons per month was arranged for, apart from what could be effected in the heavy imports classified under munitions.

Before referring to munitions, however, it may be interesting

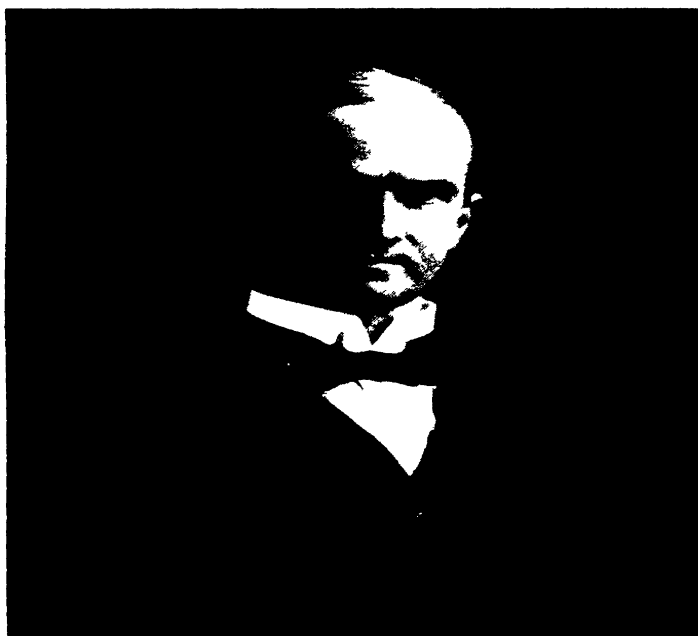
to comment upon one or two other points that emerged. In 1916 there were 267,000 more cattle in the United Kingdom than in 1914, and an increased proportion of meat from our home-grown supplies was entirely practicable. Norman Hill pointed out that it requires from 10 to 15 pounds of imported feeding-stuffs to produce a pound of beef, and from 4 to 5 pounds to produce a pound of pork. He showed also that if men were made available to increase the loading and discharging speed of existing ships by 10 per cent., the labour of each man would represent a saving in tonnage of 130 tons, that the labour of each additional man employed in felling pit-props would save 100 tons, and in new shipbuilding 30 tons. But it was rather disappointing to find that one additional man employed in food production at home would only save the equivalent of 8 tons.

The general heading "Munitions" included a large proportion of our non-food imports, although most of it consisted of raw materials formerly used for peace-time industry, but now turned to war purposes. A detailed overhauling of munition tonnage was therefore essential. Each department was instructed to go into the figures, and Fielding was made the collecting centre for all reports. Moir, as the head of the American and Transport Department, and Sir Burton Chadwick, his deputy for overseas transport, had to put aside every other duty for the time being to see what could be achieved towards reduction.

The tonnage generally classified as munitions amounted to 1,250,000 tons per month, but the proposals already drawn up to meet the programme of 1917 contemplated increases amounting to more than 200,000 tons per month. Out of the great total figures, however, finished munitions of all kinds did not amount to more than 230,000 tons per month. Iron ore, metals and pyrites represented about 900,000 tons each month. The great production of sulphuric acid for explosives required 80,000 tons a month of pyrites, and we could not reduce it. South and Central America also sent us 50,000 tons a month, chiefly of nitrate, copper and antimony, and India 49,000 tons, chiefly manganese ore. In view of these immense shipments, it was encouraging to find that, even during the preceding ten months of the submarine campaign, we had brought in more than 12,000,000 tons with losses of all kinds by submarine and other hostile action only amounting to about 360,000 tons, or 3 per cent. The imports from the United States and Canada at that time amounted to about 350,000 tons per month, of which 100,000 was Canadian. By far the heaviest items in this Transatlantic munition tonnage



*The F. A. F. M. M.*  
 SIR CHARLES FIELDING



R. C. J. PHILLIPS, C. B.



were shell steel in various forms, pig-iron and finished shells. The number of complete rounds of ammunition obtained from overseas by that time had fallen to an insignificant percentage of the home output, and we were able to effect the greatest proportionate reduction in our American and Canadian imports in the finished components of ammunition. The programme at that time anticipated that by the month of April the tonnage from United States and Canadian sources would exceed 400,000. The amount, however, by one means or another was reduced 100,000 tons. In the aggregate, whilst the estimates for munitions tonnage during 1917 had contemplated a total import of an average of nearly 1,500,000 tons a month, the figures were cut down all told to an average of 1,200,000 tons. This figure was only a small saving on what had been imported during 1916, but, seeing that the year 1917 was accompanied by an enormous growth of the munitions output even over 1916, as well as by a great programme of merchant shipbuilding and of the provision of heavy transport, any reduction at all on the previous year's figures was more than any of us expected to obtain at the beginning of 1917.

This import restriction work brought one of the most striking instances that came to my knowledge throughout the war of the adaptability of the best men in the Civil Service to new tasks. Mr. C. J. Phillips had had the usual round of work in different Government offices, and he had been brought into the Munitions Department (I believe by Sir Philip Hanson) to help in the Contracts Branch and had come to be placed in charge of shipping and other questions arising out of contracts placed in the United States. He proved himself so expert an enthusiast on tonnage questions that he was appointed Deputy Director of the Overseas Transport Department, and it was in that capacity that I first came in personal contact with him as Minister. Quiet and unassuming, but efficient to his fingers' ends, he may well wish, if he should come to read it, that this paragraph had not been written, but very soon every one of us found Phillips to be a reliable encyclopædia upon all tonnage questions, coupled with an uncanny but quiet efficiency in action. Afterwards, when I went to the Ministry of Reconstruction and the change over from munitions to commercial tonnage that would come into operation at the conclusion of hostilities was being worked out, I made great efforts to get hold of Phillips to take charge of it; but he had then gone, as a tonnage expert, with Balfour's mission to the United States, and Balfour and the Foreign Office would not part with him on any account. More than one business man said to me that, if



possible, after the war, he should try and induce Phillips to leave the Civil Service and to join him. For the sake of their business one could wish them success, for the good of the Civil Service I am glad that he has turned a deaf ear to many tempting offers.

## CHAPTER III

### HOW FAMINE WAS AVERTED

#### 3 INCREASED PRODUCTION AT HOME

The Decline in Shipbuilding—Big Programme—Geddes Appointed—Milner's Work—Some Results—New Iron-ore Scheme—Hunter and his Men—Harmful Influence of Excess Profits Duty—Timber—Food Production—The Small Cultivator—Work of Lee—Some Results

THE directions in which increased production at home could reinforce supplies required no discovery. They stared us in the face. They had done so for a long time, and the nerveless handling of the problems involved had done much to determine many men, myself for one, to give support to a change of Government that promised more resolute action.

Increased home production of ships, of food and of timber were obviously needed, and if we could still further adapt or create steel-works to utilize more native ore and thereby help to meet the ever-growing steel requirements without adding to importation, it ought to be done. In none of these things was it any use contenting ourselves with the sort of querulous statement of the obvious that characterised Runciman's November memorandum. Definite, considered, organised and determined effort was called for.

#### SHIPBUILDING

The first two years of the war had seen an astonishing decline in the construction of merchant ships. The gross tonnage of merchant ships launched in the United Kingdom in the four years ending December, 1916, had been as follows—

Year	Gross tons
1913	1,919,578
1914	1,674,358
1915	648,629
1916	607,907

Some explanation of the decline is afforded by the fact that the Admiralty required extensive shipbuilding for making good

naval losses and for the construction of new vessels, especially of the smaller and swifter craft and of the submarines that were shown to be necessary. Until the submarine campaign began to show itself, one can well understand also that the importance of keeping up merchant shipbuilding to something like the 1914 level had not been fully appreciated. Moreover, the Admiralty is never backward in making its claims, and in the early days of the war it had the reinforcement of Churchill's powerful personality in the Cabinet.

Only 59 British ships were sunk in 1914, but in 1915 the number rose to 242, with a loss of more than a million tons, and our Allies and neutrals lost other 250 vessels. Whatever excuse may be pleaded for the fall in construction during 1915, it was obvious, long before the end of that year, that the time had passed when such a low standard of merchant shipbuilding should be permitted to continue. But the further decline in 1916 was only another indication of the utter lack of foresight and courage that had characterised the handling of merchant shipping problems during that period. It is true that shipbuilding was under the Admiralty, but it was for the President of the Board of Trade to be the alert and aggressive custodian of the vital interests of overseas supplies and of the Mercantile Marine. The reports of Maclay's Department and the work of Curzon's Committee made the necessity of much more shipbuilding more manifest than ever. The Shipping Controller at the Admiralty had a trade Shipbuilding Committee to assist him, but naval needs had hitherto dominated the situation, and there was on his flank also a very active and efficient War Office Inland Transport Department, under General Goddard, responsible for the provision of lighters, barges and other water transport necessary for the different armies.

By April, 1917, the Shipping Controller had worked the merchant shipbuilding programme up to a rate of about a million tons a year. He was making heroic efforts, but I, myself, was soon convinced that it was a problem akin to many of which we had had so much experience at Munitions. A shortage of workmen, difficulties in getting steel amid the clamorous demands of War Departments (of which Munitions were admittedly the greediest), meant that merchant shipbuilding was not getting that determined and authoritative support it needed. On April 23, therefore, I brought forward a proposal that a big programme, working, ultimately, up to a 3,000,000-ton programme, should be adopted. It might not be possible to reach this great figure, but at all events something vastly greater than what we were then doing was vital. I need scarcely say that Lloyd George

became enthusiastic over a suggestion of this kind, and the proposal in principle was adopted. Before any decision was come to, an interview was held with the Shipbuilding Committee. It was a strong body containing some of the most experienced shipbuilders in the country, but I confess we were a good deal disappointed at the lack of grip that they seemed to have over the situation. Perhaps the real explanation was that they had not had sufficient power to get things done and if there had been the same drive behind them as there was at the Admiralty for naval purposes and at Munitions for their purposes, more would have been accomplished. I therefore suggested to Lloyd George that he should take Geddes from the control of the Transport Department in France, as it was then in good working order, and make him Controller of Shipbuilding, Merchant as well as Naval. Divided responsibility in the construction of the same class of goods only resulted in friction and delays. The suggestion, I am afraid, was not very acceptable in some quarters of the Admiralty, but Carson was not the man to let departmental considerations have more than their fair share of weight, and Geddes was recalled from France and appointed to the task.

One result of the consequent increased demand for steel was to intensify the duel between those who wanted men for the steel-works, and the Army who wanted men for the field. The shipbuilding yards also, like the steel-works, would require many additional thousands of men. Where were they to come from? Whatever was proposed, these two problems—men and steel—always cropped up immediately. By that time, however, we had become so accustomed to the confrontation of the "impossible" that to boggle at an enterprise on that account would have been foolish. But the difficulties could not be avoided or underrated. They were horrible and always present. The longer, however, one's experience became, the more cheering were the surprises as to what we could do if we really "put our backs into it."

After Geddes became First Lord of the Admiralty, he was succeeded by Lord Pirrie and Sir Alan Anderson as Controllers of Shipbuilding. Sir Robert Horne also was brought at that time to assist as Director of Materials and Priority.

Lord Milner, after his return from Russia, was the War Cabinet Minister to whom the difficult and thankless task was allotted of dealing with the many inter-departmental conflicts that ensued, and the most tantalising amongst them was the conflicting claims of the shipyards for labour and the Army for men. It was a favourite device of the War Cabinet to saddle Milner with tasks

of this sort, but the reason was that he was so grandly efficient and had such well-balanced constructive faculties that he stood out as the man for the work

The new shipbuilding programme required 80,000 additional men for the shipyards, but they were not forthcoming. After an infinity of struggle, notwithstanding the grave needs of the Army for men, instructions were given in January, 1918, that 20,000 skilled and semi-skilled men must be released from the Army for shipbuilding. Macready, as Adjutant-General, was in as difficult a position as the rest of us. At that very time he had been instructed that gauge-makers, chemists and steel-workers must be released for munitions, and now he had to find a great batch for the shipyards, notwithstanding that for a long time previously men employed in the shipyards had been exempted from recruitment. Up to April, 1918, when the new shipbuilding work had been in full swing for ten months, only 32,000 of the original 80,000 had been forthcoming, and of the 20,000 ordered to be released from the services four months previously, less than 6,000 had been obtained. It was nobody's fault. It was just the inevitable clash of war demands primarily arising from a shortage of man-power for all the purposes for which men were needed.

Nevertheless the progress of the merchant shipbuilding effort was very splendid and may best be represented in a table that brings it up to June, 1918, when new shipbuilding had, at last, overtaken submarine losses.

Ships launched during  
the twelve months  
ending

	Gross tons
May, 1917	773,116
June	833,863
July	865,147
August	928,470
September	957,185
October	1,045,036
November	1,133,336
December	1,163,474
January, 1918	1,173,953
February	1,194,540
March	1,237,515
April	1,279,337
May	1,406,838

It was another illustration, of which the war supplied so many, of what energy could accomplish, notwithstanding an abnormal dissipation of men, material and organisation.

The United States threw itself heartily into a new shipbuilding programme, but, notwithstanding their immense resources, they

had, if possible, more disappointments in the early stages than we had ourselves, although it should be remembered that they were not furnished at the beginning with as great a body of experienced men and of shipbuilding facilities as we were. Five million tons of new shipping—British, neutral and Allied—were added to the mercantile navies of the world in the year 1918, as against about half that amount in the preceding year, and the increase was mainly due to the United States and ourselves. The shipbuilding programme of the United States did not reach its maximum until after the war was concluded, and in 1919 they added nearly 4,000,000 tons of new shipping to their register. It was a grand achievement, but it provided them, as I remember Maclay often prophesied it would, with an embarrassing reconstruction problem. Indeed, he often predicted in 1918 that within two years of the conclusion of the war there would be a vast surplus of shipping, and he proved to be as correct in this as in his other forecasts.

The importance of new shipbuilding should not lead us to overlook the immense repair work that was continually going on. The extent of it may be gathered from the fact that during the last month of the war 725 vessels, with a gross tonnage of nearly  $2\frac{1}{2}$  million tons, were repaired and returned to service, and during the last fifteen months of the war the tonnage repaired and returned to service had exceeded 30,000,000.

Another reinforcement of our shipping was obtained after the entry of America into the war by agreements made with neutrals that gave us the command of much of their tonnage, and the interned German and Austrian ships provided another wind-fall which helped to see things through.

When criticisms began to arise after the war, it was common in Parliament for certain wiseacres to be derisive over the "standard ships," but the output could not have been increased as it was, alongside the great shortages of men and material, if there had not been an increasing degree of standardisation. In our necessities there were extensive experiments in building cement ships, but they failed somehow to make good. We were glad, however, in those days to get ships of any material.

The contributions of the Dominions will be dealt with separately, but mention ought to be made at this place of the valuable effort that Canada made in shipbuilding. At the request of the Ministry of Shipping, the Imperial Munitions Board in Canada, under Sir Joseph Flavelle, Bart, organised an Eastern Shipbuilding Section under Colonel W. Gear, of Montreal, which finally gave us 42 steel ships of an average capacity of about 5,000 tons, and

in British Columbia, under Mr. R. P. Butchart, they set about the provision of yards capable of turning out wooden vessels, and from this source we ultimately obtained a reinforcement of 46 further ships of an average tonnage of a little less than 4,000 tons apiece.

### IRON ORE—TIMBER—FOOD

A brief summary of the efforts made during 1917 and 1918 to increase the home production of iron ore, timber and food must suffice, although each one of them brings up issues that profoundly affect national policy, and the story of each is worthy of a treatise by those competent to write it

*Iron Ore.*—So far as we were concerned at Munitions, we could only try to add to the production of home ore beyond what had already been projected. After the usual preliminary exploration, I proposed to the Cabinet, on February 20, that I should receive authority to try and carry through a scheme still further to increase our production of home ore by 200,000 tons a month if possible. At the best we could not reach a figure of that kind for a long time, and it would require a tremendous push anyhow, considering the enormous difficulty of obtaining labour and the necessary adaptations at the different works

I shall never forget the interview with Hunter when I went across to the department after this meeting of the Cabinet and announced the project. He was in one of his most magnificently stolid moods, and the interview was so entertaining, but so gratifying, that it occupies quite a large space in the diary notes. It may, I think, fairly be paraphrased in a dialogue form. After the proposal had been set out to him—

H—Is this, then, to be additional to what we have already been committed to?

C A—Yes, or at least 200,000 a month above the maximum output in 1916

H—I see

C A—It is a tall order

H—Do you really think it can be done?

C A—It has got to be done if we are to produce the steel and at the same time there is to be shipping enough to feed the people

H—Do you mean we cannot increase the amount of ore that is now being brought in, and which is already insufficient?

C A.—Yes, I mean that. If we can reduce the import we must.

H—How soon have we got to get up to this increased rate?

C A—As soon as possible. What about six months?



THE RT HON W MCCURDY THE RT HON CHRISTOPHER ADDISON M D LORD STEVENSON SIR LFO CHIOZZA MONEY  
A MISSION TO PROMOTE THE DEVELOPMENT OF HOME IRON ORES, KETTERING, MAY, 1917





H.—Where are we to get the men from?

C.A.—I don't know. We shall have to do the best we can

H.—We have got to make bricks without straw Is that it?

C.A.—If any men can do it your men can. I suggest you get your people together, talk it over, arrange a meeting with the ironmasters, and, as soon as you are ready—to-day, to-morrow or any time—we can discuss your plans.

H. (gets up, smiles, shrugs his shoulders)—You will hear from me later, Doctor.

Hunter and his men had a dreadful task set them Mr. F. L. McLeod, who dealt with the distribution of the iron-ore imports, was already faced with a shortage of from 50,000 to 100,000 tons a month for what the works then required, and his daily puzzle was to keep everybody going, to get the ships through the danger zone to what ports he could, and to persuade the railway people to add this extra inland transport to their other difficulties How he managed during these and the following months I could never make out, but he did somehow, and he was quiet and unruffled all the time Hunter, McLeod and others spent several hours with me during the following days Mr Frank Merricks, their mining engineer, was often there, and Dr Hatch, who dealt with the home production of iron ore and limestone, and sometimes those two very cheery men, Mr A K Reece and Mr. C G Atha, who were responsible for the increased production of basic pig-iron

Within three days their plans were sufficiently advanced for us to discuss the position with the ironmasters By agreement with them a special organisation was set up to lay bare additional quantities of ore, and Mr Tom McAlpine, a son of Sir Robert McAlpine, the contractor, was brought in to direct this part of the work Hunter said that he thought he was "the best muck-shifter in England" He certainly joined a team which on the whole did wonders in view of the desperate situation that we were in

We had the most trouble in a Midland district, and it was amazing to find that even at that late time in the war wages of sixpence an hour were being paid to some labourers One firm, whose political sagacity appeared to be on a level with their enterprise, suggested that we ought to mobilise the German prisoners to come and do it I had, of course, no objection to mobilising the German prisoners—there was every reason why we should—but it would never do to bring them into a district where they were being imported to bolster up a wage rate of sixpence an hour

Parenthetically, it may be noted that this endeavour to in-

crease the output of iron ore provided us with a forcible illustration of the injurious effects of that form of taxation of which the Munitions Levy and the Excess Profits Duty were the expression. It was necessary enough in all conscience to adopt expedients to prevent people making unreasonable profits out of national necessities, but for my part, on such occasions as I had an opportunity, from first to last, I objected to this way of doing it. We discovered some better ways for ourselves in Munitions. These taxes brought in a lot of money, but they did more to promote extravagance and as much to force up prices as the war scarcity itself. The effect of the duties in the Cumberland iron-ore district, where the high-grade hematite is produced, was a very cruel one. The management of the mines co-operated with us with a splendid patriotism, but more than once they pointed out to me the effect of this extra effort in such terms as these—

“ We are doing our best to help, and we shall put our backs into it, you may be sure. But there is no getting away from the fact that this is a pretty cruel proposal as far as we are concerned. What are you asking us to do? These deposits, as you know, are limited, we have purchased rights over certain ore-fields, and our shareholders have found the money. We are now to go ahead and extract this ore in enormously increased quantities, and neither we nor our shareholders are going to get anything out of it, whilst our capital is thus being drained away ”

It was a fair statement and nothing could have better illustrated the mischievous effects of this kind of taxation on enterprises of this sort. I am quite sure that it did not diminish in any degree the effort to extract more ore, but it was in fact a reduction of their stock, and, human nature being what it is, one could not fail to realise that they were being asked to do a thing that was unfair.

This great adventure of increased iron-ore production in 1917 could only have been justified if we had not been led to think from our previous experiences that, even at that late stage of the war, and with the man scarcity as it was, we should not quail at anything if sufficient energy, brains and management were put into it.

The subsequent story need not delay us. It was akin to the story of many other efforts, only more difficult than some owing to its great demands on man-power. By 1918 we had increased the annual output of home iron ore over that of 1916 by 2,000,000 tons—a figure that was not very far short of that which I suggested to the Cabinet in February, 1917.

*Timber*—What applied to iron ore applied to timber. The obtaining of timber, like so many other things that appear so simple to people who are accustomed to describe the agricultural labourer

as an unskilled worker, would have been utterly impossible unless the department had been able to import skilled Canadian lumbermen to augment our own labour supplies. The tragic feature of the situation was that, owing to the complete absence of any afforestation policy in the past, the timber available was scattered in so many districts in small amounts and difficult to handle, and the results of cutting much of it were desolating to many of our landscapes. Nevertheless, during 1918 the home production of pit-wood had increased 1,000,000 tons over that of 1916, and the production of British timber accounted for 2,000,000 tons of what otherwise would have had to be imported. The extra production of timber at home, coupled with the extensive felling for the armies in France and a general economy in use, relieved our shipping of 4,000,000 tons of imports during the last year of the war.

*Home Food Production* --The tale of the increased production of food at home during the years 1917 and 1918 would provide a subject for an epic. It marked a fine achievement by the farmers, but above all it was the justification and triumph of the small cultivator. The demand for allotments that had met with steady but slender success through a long series of years found the barriers down before it in a national emergency, and tens of thousands of men and women had their first opportunity of producing a little food for themselves. Their numbers, it is true, must be discounted by war enthusiasm, but the multitude of them that remain even in this time of reaction marks an advance such as a generation of agitation in times of peace might not have achieved. The land hunger, too, was just as keen with the men then serving with the Colours, and the failure to give effect to it is one of the most instructive, if disappointing, stories of recent unhappy years. At the time the frank statement of the Prime Minister in Parliament<sup>1</sup> and the other revelations of the perilous position with which we were faced gave the movement a greater impetus than anything else could have done. Here was a patriotic service that could be rendered by many men, women, and indeed children, all over the country, who had been thirsting to make some definite and direct contribution to our war needs. The waste places of our land were made to yield their increase as never before.

The relief to the tonnage situation was not by the increased growth of corn only, the addition to family supplies of potatoes and vegetables gave Rhondda a confidence in imposing his restrictions that he often talked about, and without which he would have hesitated to make some of his orders.

The appointment of Lord Lee as Director of Food Production

<sup>1</sup> February 23, 1917

was a thoroughly good one. Somehow at Munitions he did not seem to have had the scope he wanted. Perhaps it was that he came into it after the character of its organisation had become determined, but he was over-disposed, I used to think, to take sides, and did not in consequence acquire that influence in our councils which he might have had. However that may be, he did great work as head of the Food Production Department. A little ginger was certainly not out of place in the Board of Agriculture, and he supplied it.

With the change of Government, Mr Prothero (Lord Ernle) and Sir Charles Bathurst (Lord Bledisloe) had been appointed to the Board of Agriculture, and it would be difficult to find two men in the country who knew more about the requirements of scientific and progressive agriculture. In times of peace two men of their type, with a determined Government to back them, might do much for British agricultural methods, but in war-time many of the things that needed treatment, and that they wished to develop, had to stand over. How it came about that the Board of Agriculture (except perhaps in its Botanical Research side) up till then had been the most unimaginative and dull amongst Government offices is probably the result of two different but convergent influences. The panacea of Protection had loomed too large and too long on the horizon as the sovereign remedy for agricultural ills. One might have thought that the General Election of 1906 would have taught the most dull-witted that the British people would not have taxes on food, but the frame of mind that a long dependence on this form of State aid had induced served to reinforce the other cause that had led to our having a Board of Agriculture which was a by-word amongst Government departments. The other cause arises from the fact that people whose thoughts and interests are concentrated on rural matters are necessarily slow to move and to adopt new methods. It is an outstanding feature of British agriculturists, and, coupled with the longing for the outside remedy of Protection, goes far to account for the lack of readiness to take up new methods of self-help which is so striking a drawback amongst land cultivators. Coming, as Lee did, from the Ministry of Munitions, where all was bustle and drive and where the adoption of new expedients and new methods to meet pressing demands was the breath of life to the department, he had good cause for fretting and fuming, but it only signified that he had so much the greater opportunity. He made good use of it. His energy and determination were remorseless. I used to laugh at him sometimes because he called himself a Tory. A tyrant of Socialism would be an apter description of his temper and methods in those days. His favourite expression in



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describing the exponents of the old-fashioned Conservative view of agricultural methods was to class them as the "mandarins" That view was not without representation in the Cabinet, and more than once Lee fell foul of it It was not to be expected that compulsory cultivation orders would always result in the local representative choosing the most suitable field, and, as in everything else, when a blunder was made, we were not slow to hear about it. The surprising thing was that we did not hear of more mistakes, and it spoke well of the staff Lee got together, both at headquarters and in the country, that we did not. The movement suffered a disadvantage by beginning in the spring of 1917, as it had missed the time for the great bulk of the wheat that could be sown for that year, so that the home acreage under wheat in 1917 was substantially the same as in 1916, but in the spring corn—barley and oats—an additional 700,000 acres were brought under cultivation

The full effect of the movement upon wheat-growing did not appear until the harvest of 1918, when there were 740,000 additional acres under wheat and a trifle over 1,000,000 acres more under barley, oats and rye than in 1916 This increase of corn, together with the additional felling of timber, marked the greatest contributions by far to the relief of importation that resulted from efforts at home

The most significant increase in food production was perhaps in the case of potatoes, of which an additional 250,000 acres were cultivated in 1918 as compared with 1916 The small cultivator was pre-eminent as a contributor here, and there were thousands of patches in odd corners, here, there and everywhere, beyond the extra acreage just quoted

Lee's efforts as Director of Food Production entailed one or two fresh tasks for us at Munitions, the chief of which was an increased demand for ploughs, tractors and agricultural implements generally, together with the exclusion of them to the utmost possible extent from the importation list. This involved the organisation of a special section for their manufacture and supply I appointed that many-sided man, Mr. S. F. Edge, to be the Director, and he brought the same energy and keenness into it as he had displayed as a pioneer in motors and as a breeder of pigs on a large scale. He had a Trade Committee to help him, and this Committee got its work done, I think, with more quietness and efficiency than any of our Trade Committees, although with the situation as it was in January, 1917, it had a bad start Some of the men concerned frankly confessed to me that they learnt a lesson or two which they should not fail to apply afterwards, and it is to be hoped that they are doing so I remember one of them pressing me very hard to



come and inspect his works, and in commending the invitation he explained that he could show me nearly every type of British plough which was in use, and was proud that they manufactured such a great variety. I pointed out to him that when we took over Aeroplanes we found a great variety of aeroplane engines and that we were aiming at producing less than a tenth of the number of types, whilst we were counting on multiplying the output of aeroplanes many times over and reducing costs at the same time. The bewildering variety of implements that was made entailed a great assortment of spares and an excess of establishment charges that provided one of the reasons why the Canadian and American imported ploughs of few patterns had made such headway in the English market. There was one respect, however, in which we were never able to overtake the demands from home sources. This was in the supply of tractors, and we finally had to accept proposals from Mr Ford from which we had held off for some four months.

It would be wearisome, however, to multiply instances of the new expedients that the food production programme called for, in common with every other war effort. It had behind it the force of public opinion and active official assistance, both in the central government and locally. Its purposes were clear and its usefulness obvious to the simplest person, but it possessed two features not shared by any other kindred war effort, and both of them were wholly beneficent. In the first place it was something in which everybody who could get hold of a patch of ground could lend a hand, and it gave healthy work and interests out-of-doors to hundreds of thousands of people whose leisure hours would otherwise have been spent hanging about, and often in unhealthy places. Next, there is surely no occupation to compare with cultivating a patch of ground to take one's mind from worries, to enable one to see things with a just perspective, to assess trifles as trifles and to obtain quietness and contentment as well as strength, so that I think that the physical, moral and intellectual benefit that followed from the food production campaign, with all its steadying influences, must have been as valuable as its more obvious results in the production of food.

## CHAPTER IV

### HOW FAMINE WAS AVERTED 4 THE ANTI-SUBMARINE CAMPAIGN

Great Increase in Shipping Losses—Runciman's Record—Guns for Merchant Ships—The Convoy System—Maclay and the Admiralty—The Handicap of the Super-Dreadnought—Triumph of the Convoy System—Work of Carson—Mines—A Big Programme—The Auxiliary Patrol—The late Commander Dawes—Other Anti-submarine Devices—Results

**T**HE first six months of the year 1917 were the most terrible and anxious of the whole period of the war so far as affairs at home were concerned. The month of April, 1917, can only be equalled as a period of poignant suspense by the critical weeks of the battles of Ypres at the beginning of the war or by those following the break-through of the German armies in their great attack in the spring of 1918. At the time when Curzon's Committee was appointed in December, 1916, it was hoped that a great reduction of imports, coupled with the shipping obtainable from the hitherto unused reservoir of British vessels, would enable us to pass the period of greatest peril before the harvest of 1917.

Early in February, however, Sir Alfred Watson, who, with Mr. W. P. Elderton, C. B. E., the Actuary and Manager of the Equitable Life Assurance Society, came to act as the statistical experts to the Ministry of Shipping, warned us that a reduction of a further 2,000,000 tons would be needed. Sinkings increased with a more terrible rapidity than even Admiral Jellicoe had suggested, and Heaven knows he was gloomy enough!

In February the rate of loss had increased nearly to that of two ships a day, and every dictate of prudence prompted a much greater measure of frankness in dealing publicly with the situation than had previously been adopted. The Germans must have known the success they were meeting with, and it was only on a basis of a knowledge of the facts that the public could be expected to accept the restrictions and to co-operate in their application. On February 23, therefore, the Prime Minister made a full statement in the House of Commons, and introduced the proposals of

the Government for the development of food production at home.

The effect was as encouraging as statements of that kind always are with the British people, and justified those of us who on previous occasions had objected to unnecessarily sanguine accounts of progress

The month of March, however, proved much worse than February, and in April the sinkings reached their climax. The weekly losses during this awful period were as follows—

	Vessels	Tonnage
4 February	3	15,236
11 "	13	52,633
18 "	19	73,605
25 "	10	39,810
4 March	17	84,924
11 "	19	68,392
18 "	17	60,898
25 "	26	126,501
1 April	21	78,871
8 "	17	70,696
15 "	23	87,692
22 "	44	159,649
29 "	40	168,112

At the end of April the wheat stocks were down to nine weeks' supply, and there were seventeen weeks still to go before we could get any relief from the British harvest. But two compensations were near at hand. The freshly mobilised ships from distant waters were coming into service and the unrestricted submarine warfare had brought the incalculable potential reinforcement of the co-operation of the United States. Their own Merchant Marine, it is true, would be much taken up with the shipping of their own men and supplies, but their naval co-operation was immediately available and of priceless service, as will be explained.

It is not often that a man in his political experience is made angry by proceedings in the House of Commons, but I confess that a good many of us were made so by the speech of Runciman in the House of Commons on April 24. On that very day, both in the afternoon and in the evening, we had been engaged in the Cabinet in elaborating the plans for a greatly augmented ship-building programme, and in exploring all possible expedients for adding to our supplies. Runciman made a speech in opposition to the Government Food Production Bill that contained, no doubt, a considerable body of sound doctrine if we had happened to be at peace, but it was full of nagging and ill-timed objections utterly discordant with the critical position of the country. There had not been time since January to bring the newly mobilised shipping

sufficiently into the service and thereby add to the scanty grain stocks which resulted from the policy for which he, as President of the Board of Trade, had been most responsible, for, rapidly as Maclay had brought new ships in, the rate of sinkings had increased almost as rapidly. The Board of Trade also had been largely responsible for the policy of leniency to shipowners whereby hundreds of ships were left unrequisioned for food-carrying and other essential purposes whilst sinkings were increasing and the merchant shipbuilding of this country had been allowed to drop as never before. It really was maddening to be lectured by a man who had had so special a measure of responsibility for the policy that had led to these results. The House of Commons, as it generally does, grasped the big issue and had no patience with petty criticism. Moreover, nothing was to be gained by public disputes. It was a time for all hands to the plough if ever there was one.

The story as to how the submarine campaign was met and finally defeated is as heroic as any could be. It was many-sided, and the efforts it called for, both individually and collectively, can neither be enumerated nor described. The sailor facing up to the submarine or struggling in the water was one extreme, and the smallest household that willingly deprived itself of sugar and bread was the other—and this last one was fortified all the time by the knowledge that others were doing the same and that Rhondda was seeing to it that all were dealt with on a fair and common basis.

A short review of what was done must be attempted, and the efforts group themselves as follows—

- 1 The steps that were taken to enable merchant ships to defend themselves against submarines
- 2 The improved defence of shipping in the danger zones
- 3 The measures taken to attack or to confine enemy submarines

#### THE SELF-DEFENCE OF MERCHANT SHIPS

On December 20, 1916, it was decided, notwithstanding the new heavy artillery programme of the Army, to increase the gun programme of the Ministry of Munitions in order to supplement the efforts of the Navy in supplying merchant ships with guns. The steamships in question numbered somewhat less than 4,000 all told. Some hundreds of them had already been armed by the Navy, but Carson threw his whole influence in favour of a united effort for arming merchant ships. The possession of a gun, it is true, did not afford a very full measure of defence, but hostile submarines had come to betray much nervousness when confronted by merchant ships equipped with guns that were well handled.

A big scheme, therefore, for training merchant seamen in gunnery, was undertaken by the Admiralty, and the Ministry of Munitions, on December 20, was charged with the provision of a first instalment of 706 guns. General Furse (then Master-General of the Ordnance) and Colonel Simon (our chief expert in gun production at the Ministry) were responsible in the first place for providing a scheme. We necessarily found ourselves all the time in conflict with the Army's artillery programme, but a big reinforcement for the merchant ships was happily available at the beginning from many of the guns for anti-aircraft and other purposes that had been replaced during the previous year. We required to have a manufacturing stock of three months' gun-supply passing through the workshops at any one time, and the demands for gun repair, as already explained, amounted by that time to a great manufacturing proposition. In the course of a short time this gun production effort invaded so many of the munition shops used for other purposes that I finally placed the whole thing in the charge of that Prince of munition manufacture, Glyn West. Between the Navy and ourselves during the fourteen months from April, 1917, we supplied merchant ships with 3,063 guns and 553 howitzers. Before the end of the war, 4,000 merchant ships were armed with greatly improved guns, and the output to them had amounted to over 6,000 guns, with more than 800 howitzers. The instructional courses of the Navy in gunnery more than kept pace with the gun supplies.

The effect of the improved gunnery of the merchant ships began to have a prominent place in the reports that came in during the summer of 1917, but whatever additional protection was afforded by guns—and often it was vital to individual ships—it is not to be compared collectively with the effect of the Convoy System which began to be introduced in March, 1917.

#### THE DEFENCE OF SHIPPING IN THE DANGER ZONES

*The Convoy System*—The introduction of the Convoy System ranks with the establishment of the Ministry of Munitions as one of the two great contributions of the civilian mind to the solution of the military and naval problems of the war. Maclay and his colleagues at the Ministry of Shipping from the very first insisted that the establishment of a system of convoys was essential. They had a considerable measure of support amongst naval authorities, but it is true to say on the whole that they had to fight the Admiralty on the question, and the disastrous events of March and April, 1917, were the deciding factors in the controversy. The establishment of a Convoy System admittedly took a considerable number of small

and swift craft from the services of the fleets, but there was surely a limit to the defensive screens of the battle-fleets. The German battle-fleet was clearly in no condition and had no stomach to risk another grand engagement. Swarms of light craft were admittedly required every day for patrolling, sweeping and other services, but the American Navy was now with us, and their co-operation gave us at once the priceless advantage of the addition of many light and swift vessels, and the submarine was, above all things, afraid of a well-handled and alert destroyer, so that surely some could be spared for convoy purposes.

Admiral Jellicoe is, I am sure, a fine sailor, but he was terribly nervous of his battle-fleets. A good many of us in this controversy became adherents of Admiral Sir Percy Scott. The battle-fleet was presumably for the purpose of giving battle, and it was, on orthodox view, the bulwark behind the rest. It might be so, but the horrible nervousness for the big ships during the first eighteen months of the war, and all the elaborate apparatus of defence of them—booms, mine barrages, sweepers, escorts and the rest—seemed to show that these giants of potential battle needed another sort of navy to clear and keep the seas for them. Those, nowadays, who think that a sum of ten millions on the furnishing of dock and harbour facilities for battleships at Singapore is going to be the end of the cost on their account in those waters, had better ponder over the lessons of the war in this respect. Anyhow, with the reinforcement of the battleships from the American Navy, the Grand Fleet's strength was overwhelming, and some risks had to be taken.

It is true that a convoy was a bigger target than a single ship, but it carried more eyes and more guns. Moreover, experience had abundantly shown that escorting destroyers could just as easily defend four ships as two. The massing of merchant ships in convoys would mean that a relatively smaller number of escorting ships could defend a greater number of merchantmen. The alert and rapid movements of the escorts also compelled the hostile submarines to submerge and gave the convoy at once the advantage in speed, and the submarine had come to have a dread of depth-charges dropped from the escorting ships. I believe that every layman amongst us was convinced that Maclay, Chiozza Money and their colleagues were right when they contended that the diversion of ships for the defence of grouped merchantmen in danger zones was a better defence against the submarine than the isolated sailings that had hitherto prevailed, even if the ships kept faithfully to the strict instructions as to routes provided for them. Just as our armies would have been impoverished, and possibly broken, by a lack of munitions had there been no Ministry of Munitions, so I

believe, notwithstanding the efforts of Lord Rhondda and the most willing and extreme abstinence on the part of the people, we should have lost the war through deficiency of supplies and the destruction of shipping, if the Convoy System had not been established. The Admiralty has strong prejudices and traditions, and we often came into conflict with them, but whatever may have been the preconceived opinions of those who first opposed the Convoy System, it is impossible to speak too warmly of the enthusiasm and whole-heartedness with which they threw themselves into perfecting it once it had been decided to establish it. It justified itself beyond our highest anticipations, although the volume of shipping across the Atlantic danger zones immensely increased.

Previous to the institution of convoys the percentage of vessels lost on the different routes had come to be no less than 10 per cent. With a figure of this kind it was clearly only a matter of months before irretrievable disaster would overtake us. Towards the end of March a modified form of convoy was first introduced for the ships that carried coal from the United Kingdom to France, and in April it was extended to the ships running between the United Kingdom and Scandinavia, and the first Atlantic convoy was arranged for at the end of May and reached this country early in June. Experience, of course, soon dictated a number of modifications in the technical details connected with the organisation of ships from across the seas into a "controlled convoy" and their safe conduct through the danger zones, but from the very first the percentage of loss in convoyed ships enormously diminished, so that by the time the autumn was reached the proportion of ships in "controlled convoys" had greatly increased.

In the first twelve months of the Transatlantic convoy 5,304 ships were convoyed homewards with a loss only of 56, and 4,467 were convoyed outwards with a loss of 25. At first the convoy reports would come in showing a loss of three or four ships out of a convoy of nearly a hundred, but by the end of 1917 one seldom found a report showing more than two. The last convoy report of the year 1917 (December 29) is typical of what was then occurring—

"Homeward-bound Atlantic convoys. Sixty-six ships, 521,000 tons. One casualty, owing to shipping collision and ship dropping astern, then torpedoed."

"Outward bound. One hundred and thirty-four ships, 885,000 tons. Two casualties."

From January, 1918, the reports frequently began to show one or no casualties. Six months later, for the last week of June, there were 256 ships convoyed in and out with a tonnage of 1,900,000

tons, and one convoyed ship only was damaged. A week later 279 ships passed in convoy with no casualties.

This glimpse into the future has been taken because it is appropriate to what has been said on the convoy controversy, but a long time necessarily elapsed before all the elaborate arrangements for convoying and escorting ships could extend to all shipping. There was a drop in the sinkings from April onwards, and in no subsequent month, save June, did the number of ships lost amount to a hundred. Nevertheless, all through 1917 the figure continued to be appalling, and a table of the weekly sinkings up to November may be given because, as will appear in the next chapter, that month formed an important starting-point for extended restrictions and rationing—

	Vessels lost	Tonnage
6 May .	27	100,008
13 "	18	70,055
20 "	21	73,852
27 "	17	62,640
3 June	16	63,656
10 "	28	109,187
17 "	34	138,121
24 "	23	96,406
1 July	15	58,118
8 "	16	69,957
15 "	16	59,621
22 "	21	74,226
29 "	21	91,263
5 August	21	77,787
12 "	15	52,953
19 "	17	70,350
26 "	23	95,049
2 September	21	75,540
9 "	14	58,316
16 "	12	34,353
23 "	14	45,696
30 "	11	33,862
7 October	15	55,075
14 "	16	58,674
21 "	23	80,462
28 "	16	49,959

In the whole year, 1917, the British, Allied and Foreign tonnage lost and damaged amounted to—

British, sunk	3,711,672
Damaged <sup>1</sup>	872,391
Allied and Foreign tonnage, sunk	2,429,445
" " " " damaged	500,000
	<hr/>
	7,513,508

<sup>1</sup> Practically all the damaged vessels were repaired and returned to service.



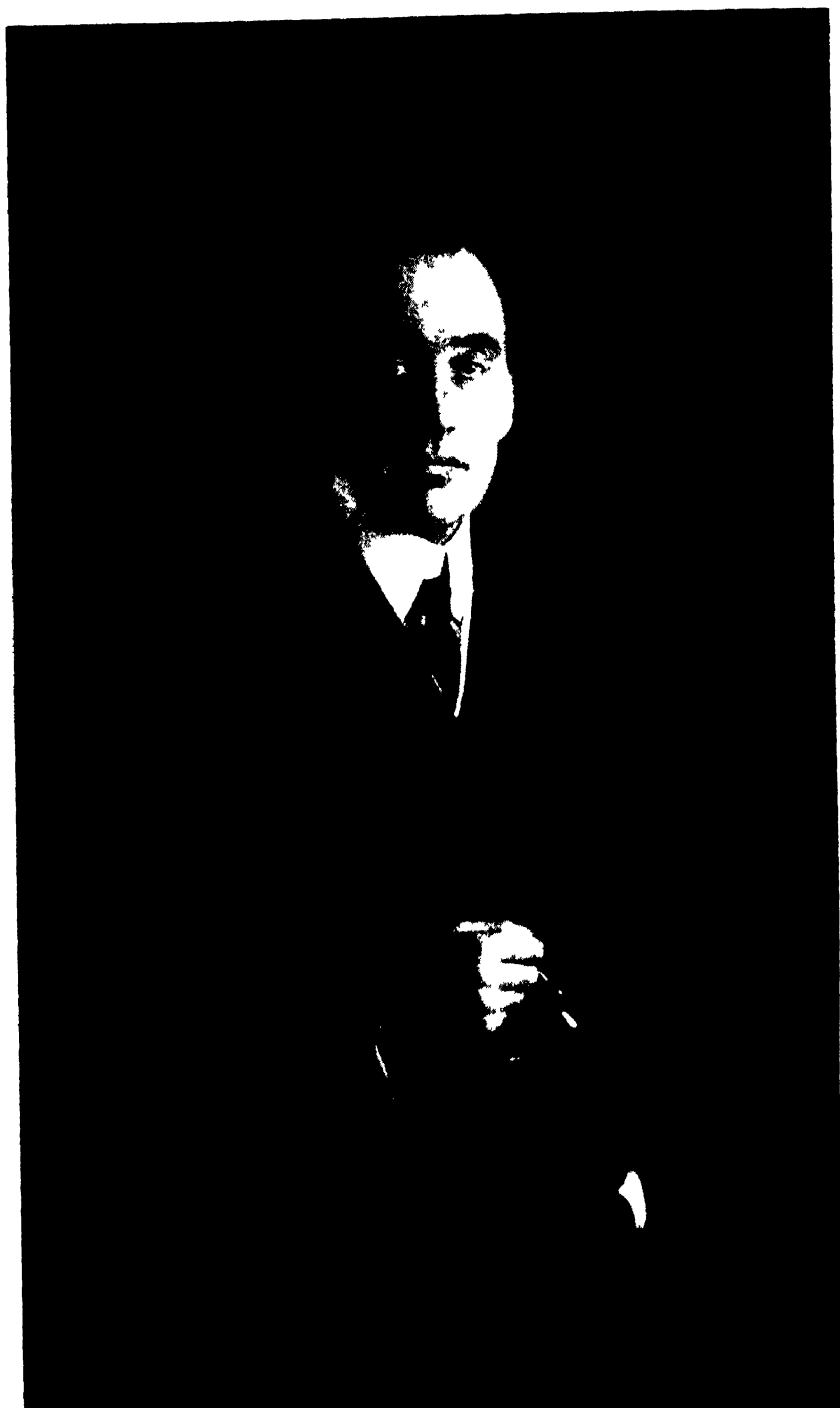
During the later months of the year 1917 new building had reduced our average net monthly loss to about 150,000

In the Admiralty Report on the British Naval Effort during the war the results of the Convoy System were summed up in the statement that, from the commencement in March, 1917, to October 21, 1918, 78,673 vessels were convoyed, with a loss only of 428, and they report that the submarine danger

" was overcome by the various anti-submarine devices put in force by the British Admiralty, but mainly by the introduction and extension of the Convoy System "

*The Offensive against Enemy Submarines* —An intensified campaign against enemy submarines developed during 1917 contemporaneously with the arming of merchant ships and the development of the Convoy System, and although some measure of success was always being obtained, it was not until the close of the year that its regular and desolating effect upon the enemy submarines began to make itself felt. At all times the loss of the crew was as serious to the enemy as that of the submarine itself, and as time went on, and the number of enemy submarines that failed to return to their base increased, the demoralising effect must have been much more disastrous than the loss of the vessels themselves, although in 1918 the German capacity for turning out new submarines had greatly developed

There were two sides of the anti-submarine campaign (the arming of merchant ships and the provision of mines) of which I, personally, had first-hand knowledge, and they are both associated with the administration of Carson as First Lord of the Admiralty. Carson and I had got to know one another fairly well before this time, and had been closely associated in the formation of Lloyd George's Government, but my first experience of close working with him was during the first six months of 1917. Whatever may be the reason, he has never received credit for the policies that marked his tenure of office at the Admiralty. He was not more responsible, perhaps, than some others of us for the big programme of arming merchant ships, but the Convoy System and the great programme of mining operations—both started in his time, and neither of which could bear their full fruit until some months had passed—were two outstanding contributions to the anti-submarine campaign, and Carson's keenness, enthusiasm and determination were greatly responsible for their vigorous development and ultimate success. It is true that Maclay and his friends were the pioneers so far as convoys were concerned, and that I myself, amongst Ministers, was closely associated with him in the mining campaign,



*Photo by Piccadilly Arcade Studios*

THE RT HON VISCOUNT CARSON



but it was his determination in pushing all the anti-submarine efforts that was the vital factor. It is not by any means the only case in the war where one man sowed and where others reaped the harvest, so far as public credit was concerned, although Carson would be the last man to worry about this consideration. Nothing else mattered to him, either then or afterwards, but that the anti-submarine efforts should be successful.

*Mines* —After convoys the scheme of mining merits the first place in the anti-submarine efforts. The mines were used in many forms and had manifold effects on the hostile submarines, both for destruction and for deterrence. Many submarines were destroyed by the mines, but beyond this the mines hampered and embarrassed their movements from the very outset of their course and helped to shepherd them into ocean tracks where they were exposed to more direct attack. Carson and I had many conversations on the subject of mines during December, because the reports that came in at Munitions, especially from Alexander Roger, were that the progress of mine manufacture was very slow. Roger was in touch with this side of the work because many of the firms that were working on Trench Warfare Supplies were also concerned with the manufacture of different parts necessary for mines. Carson called for a report as to the actual position and as to the prospective need. It was a dreadful document. The Germans had strewn the seas with plenty of mines that would sink British ships, as we knew to our cost, and we had a good many of them in our possession, but, as had so often happened in Munitions, the search for a perfect and elaborate machine had delayed extensive manufacture. The men responsible for manufacture were kicking as usual, but they were cabined and confined, just as others had been in the early days of munitions, by the lack of approved designs of a type that could be manufactured on a big scale. It was evidently no use pottering about with the few thousand mines that were then in the Admiralty's possession, a huge programme of manufacture and of mine-laying was essential. Carson made the appropriate personal changes in January, and in colloquial language "got a move on" with regard to design and type. Afterwards a big programme of manufacture was arranged, and we at Munitions became responsible for a large share of it. There was some stickiness at first on behalf of certain naval officers, and Roger, whom I made responsible at the Ministry for our share, had his difficulties. Carson, however, meant to go through with it and departmental *amour propre* had no appeal to either of us, beside which, in Admiral Halsey we had a tower of strength.

There was a shortage of acetylene welders, I remember, and we

were told that they could not be taught quickly, but the special training schools soon produced a good supply of women acetylene welders, who, at all events in the single operations in which they were trained, became excellent experts

The usual weeks of trouble had to be gone through, and it needed the same supply of patience, tact, ready-wittedness and determination as other novel manufactures had called for, but Roger and his team supplied them in abundance

From the later months of 1917 onwards there was as fine an output of mines and mine-sinkers as could be wanted. There were more mines laid in 1917 than during the whole previous period of the war, and during the ten months of 1918 there were as many laid as during the whole previous war period, including 1917. By that time we were able to produce and lay every month more mines than we had possessed altogether at the beginning of the war. It would not, of course, be proper to give details, but the extensive mine-laying across the Heligoland Bight, apart from being responsible for the sinking of a goodly number of submarines, compelled them to take the longer route through the Kattegat, and the enemy was obliged to undertake widespread mine-sweeping operations, with a consequent loss of many vessels, because he had to expose larger vessels to attack from their being required for the defence of the mine-sweepers. The supply of mines by 1918 had become sufficiently abundant to enable British and American mine-layers to lay more than 200 miles of mine barrage and to confine the submarines in the North Sea in such a way that many of them were exposed to direct attack and destroyed.

This big mining programme meant, of course, the construction, equipment and training of a considerable number of mine-laying vessels and crews. It provided one of the most dangerous tasks undertaken by that host of small vessels which, from private yachts to naval craft, in storm and in calm, were so busy, both in home and in distant waters, throughout the whole period of the war.

*Mine-sweeping and Patrols*—An allied part of these naval efforts, and one that involved a much larger number of vessels, was the mine-sweeping service. There came to be some 700 small vessels employed in home waters, and the peril of the service is revealed in the fact that 166 were lost during the course of the war. In the first quarter of 1917 one vessel was sunk for every fifteen mines swept up, but the system had become so widespread and so efficient by the middle of 1918 that the mortality of the mine-laying vessels had diminished to one for every forty-seven enemy mines. By the end of 1917 the enemy mine-laying submarines had suffered such serious loss that during 1918 they ceased to be an important

factor in the case One gets some idea of the service which these small craft and their crews rendered when we realise that during the later periods of the war, every day, they swept 1,500 square miles of sea for enemy mines

The Auxiliary Patrol Service, with its host of yachts, trawlers, drifters and other small craft, manned often enough by private yachtsmen and others, was the vigilant, never-ceasing servant of the anti-submarine campaign for a hundred purposes. There came to be more than 3,000 of these little vessels employed in our home waters alone, and 450 of them, containing 230 officers and 2,000 men, were lost during the war.

The mention of the Auxiliary Patrol provokes a personal note Those of us who played chess in the House of Commons subscribed in 1921 to a small memorial to one of our fellow-members, the late Mr J A Dawes, who for so many years was Member for Walworth He had found time for many years to render service to that part of London as mayor, as guardian, as councillor, and in all sorts of ways He was so revered, indeed beloved—although very impatient with folly—that I think his seat was almost a personal stronghold He had been a keen yachtsman, and although more than fifty years of age, he placed his little vessel and himself at the disposal of the patrol services in the early days of the war. A good part of his time later on was taken up with mine-sweeping in the Mediterranean, and at the end of the war those few of us who were left and who had been accustomed formerly to play chess with him in the little smoke-room in the House of Commons were saddened to find that he had so undermined his health that he could not often be with us Shortly before he died, when the chessmen, boxes and boards had got into a very dilapidated condition, we were all rejoiced at the opening of a new Session to find ourselves equipped with restored boxes, men and boards, polished up as good as new We owed it all to Dawes's kindly thought. Although he survived the war and is not one of the 230 officers returned as lost in the Auxiliary Patrol, he really belongs to that same group of heroes, and a little tablet recording our affection for him will be found in the room he so often occupied in his leisure moments when he was a Member of Parliament.

*Other Anti-submarine Services.*—Only the naval expert, and indeed the very specialised expert, is competent either to describe or to assess the value of the many other anti-submarine weapons and devices that came into use We knew that ten submarines at least were destroyed by the Indicator Mine Net System, and more than 20,000 miles of these nets were laid in the first nine months of 1918. More than 10,000 officers and men were trained to the use of the

hydrophones which came to be very extensively used, and the paravane almost ranks with the Stokes mortar as a distinctive invention. Towards the end of the war it came to be produced in very large numbers, and in its explosive form was very potent against submarines. More than 100,000 depth-charges were produced, and many of them carried 300 pounds of high explosive. The use of flares, both for observing submarines and for compelling them to sink in minefield areas, was very effective, and nowhere more so than in the defence of the Straits of Dover. The howitzers, the modified sweeps, the single sweeps, the single towed charges and various anti-submarine devices, developed like the rest, and especially in the early part of 1918. The Admiralty were confident by June, 1918, that they were destroying enemy submarines as fast as they were being built, and the destruction by that time had involved such a depreciation in the quality of the enemy submarine service that it largely accounts for the remarkable falling off in the effect of the submarine effort in the latter half of the year 1918.

Including pre-war construction, Germany probably built altogether 375 submarines. We knew that 150 of them were destroyed directly by British effort, and 50 more were accounted for by others. It had ceased to be a danger by July, 1918, although its widespread and damaging effects had compelled the introduction of strict food-rationing.

## CHAPTER V

### HOW FAMINE WAS AVERTED

#### 5 RATIONING

Rhondda—His Energy and Character—Desperate Position in April, 1917—Work of Milner—The Meatless Day—Devonport—A New Food Controller—Renewed Danger in the Winter—Necessity for Rationing—Rhondda's Memorandum—Rationing—Men and Results

THE dramatic events of the year 1917 culminated in general rationing of the most important food-stuffs. Two men stand out in connection with these events—Maclay at Shipping, and Rhondda at Food. Maclay would not admit the truth of this perhaps, nor would Rhondda if he were alive. They would contend that it was their team of men that did the work, as indeed it was, but the governing fact, nevertheless, was that at the head of each team were men who knew how to choose their assistants, trusted them and supported them, and that each of them dealt with their separate groups of tasks with a clear vision of essentials and with unfaltering courage. I have spoken of Maclay, and it is right that this chapter should be preceded by some references to Rhondda.

As recorded in the final chapter of the first volume, the appointment of Rhondda to the Local Government Board was my own suggestion, and I am proud of having made it. Even for the short time that he was at that department he put into it a breath of new life. We often discussed the possibilities of developing the Health services, and on January 16, 1917, he asked me to have lunch with him to talk things over, and he welcomed the suggestion that Newman, from the Board of Education, should join us. The incident is thus recorded in the note of that day—

"I had lunch with Rhondda and Newman. The lunch was arranged in order that Rhondda might meet Newman. I have been urging Rhondda to go the whole hog at the L G B and press for the creation of a Health Department, making Newman P M O and bringing in Infant Nurseries, Schools for Mothers, etc., with him, leaving the medical service of school children and nurseries schools still under the B of E and bringing over Health Insurance to the L G B. I put him up a scheme showing the consolidation required, how the duties and functions, etc., could be arranged



There would be a Local Government side and a Health side, with Morant as Secretary "

Rhondda saw the opportunities that would arise after such a consolidation and the necessity for it, and from that time forth bestirred himself to foster the idea and to push it forward. He displayed the same alertness in this as he did in 1915, when, in the early days of Munitions, Lloyd George sent him to America to clear up affairs there. On his way home from America in the previous May, in company with the present Viscountess Rhondda, he had been a passenger on the *Lusitania*. He came to discuss matters with me at Munitions immediately on his return to town after agreeing with Lloyd George in Cardiff to go to America, and he was as unruffled and had as clear a grip of the business of the day as if he were going for no more than a holiday in the country, although, as he frankly said, he hated and dreaded the thought of another crossing. The *Lusitania* incident was over. He had no disposition to dwell on it. What was the work we wanted him to do?

His attitude at the Ministry of Food—to which he was appointed in June, 1917—affords a conspicuous example of those many cases in civilian work at home where a man's health, and, finally his life, were forfeited in the discharge of his duty. Long before he went to the Ministry of Food, Rhondda had rationed himself even below the minimum. Some of us met frequently at lunch at the Reform Club, and I remember on more than one occasion to have urged Rhondda that the diet he was allowing himself did not come up to the minimum that we were told was necessary for the maintenance of working efficiency. Its food value was certainly below the minimum standard subsequently prescribed under rationing, and for a man of his big physique and energy I believe that many months of this practice were greatly responsible for the breakdown of his health. Later on in the year Rhondda used to ask one question of the rest of us, and in particular, so he told me, of the Prime Minister. "Am I going to be backed up?" He well knew that in attempting to ration the whole country there would be innumerable pitfalls and difficulties. No man, I think, ever got, or deserved, more splendid support from his chief downwards, as well as from the Press. He knew how necessary Press support would be for the Food Controller, and he set himself with consummate skill and success to secure it. Apart from the obvious necessities of the case, his conspicuous courage and complete impartiality contributed, perhaps, almost more than anything else to the public respect, indeed affection, which he came to inspire. He



THE LATE RE HON VISCOUNT RHONDDA

*Photo by Russell*



was remorseless with food-hoarders. He had no satisfaction over punishing anyone, but he had a real joy in demonstrating that all were going to share alike, from the highest to the lowest, so far as he could control matters. The public came to have confidence that no amount of private wealth or influence would gain any concession from Rhondda, and this certainly had much to do with the universal readiness that was displayed in enduring the discomforts and deprivations of the rationing system

In attempting to review the events that led to rationing, the month of April, 1917, is an inevitable starting point. One may seem, perhaps, to be referring to this month too often, but it cannot be escaped from. It marked a climax of ship destruction, a maximum of peril, and, as it turned out, the beginning of a time in which we might entertain some hope of pulling through after all. The frightful sinkings of the spring prevented any augmentation of food stocks. The new ships were loading up in distant ports and some of them had started on the homeward journey. But would they reach port? On April 20 there were only three and a half days' supply of sugar in the country in stock. The weekly consumption was 25,000 tons, and on April 16 the stocks were 13,578 tons. But big cargoes were afloat, 29,000 tons were due to reach these shores by April 29, and another 47,000 tons in the following week, nearly all from Cuba. By great good fortune most of the vessels got through. If we could last out April, and if the Convoy System could get established and give us any better results during May and June, the outlook would be brighter, because the Sugar Commission had arranged to bring in 250,000 tons in those two months. But it was a horrible position from day to day to feel that the first thing you wanted to know in the morning was how many ships had been sunk and what food cargoes they carried.

Some time before April the machinery for the restriction of imports had been got into working order, but the growing danger of the situation and the number of departments involved clearly called for single oversight apart from Cabinet discussions, and it provided another task for Milner. He continued until 1918 to be the collecting centre and War Cabinet Minister with oversight of questions relating to food stocks, to conflicting claims for shipping, and to additional import restrictions.

Milner never came into the limelight. He disliked it. I remember shortly after his appointment to this work, when I myself was the subject of a vigorous campaign of depreciation in the Press, he said one morning when we were coming out of the Cabinet—referring to the fact that in the papers that morning I had been vociferously blamed for something with which I had had nothing

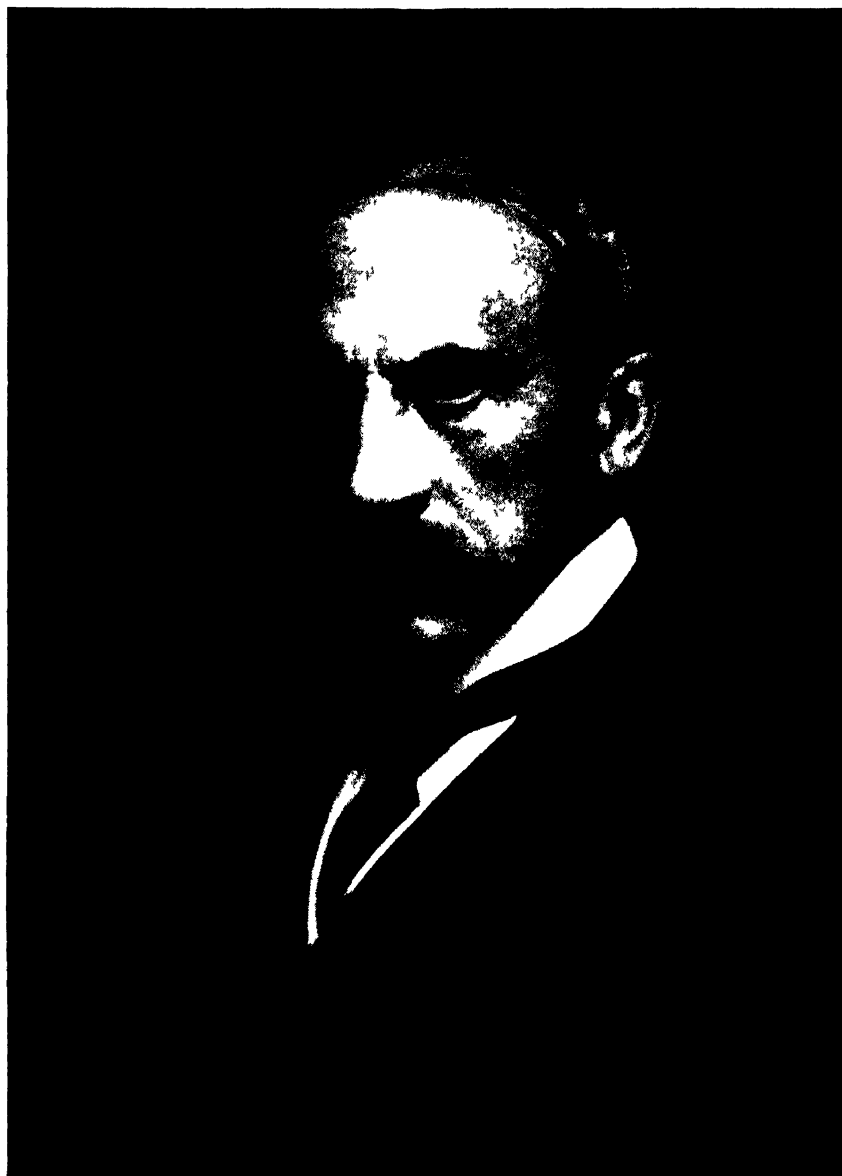
whatever to do "My dear Addison, why don't you imitate some other people and employ a booster?" My reply was, "Why don't you, Milner?" The reason was, of course, that he despised the system. All through 1917 Milner did heroic work. All of us who were in charge of big departments were necessarily immersed in our own affairs, our own needs quite properly bulked the largest, and the best feature of the War Cabinet's system was that it enabled men like Milner to be set apart to thrash things out with the Ministers concerned and to make adjustments in numberless matters that could not possibly be argued out in Cabinet, and which, indeed, would have been a waste of its time and an improper use of the Cabinet system if they had been.

I have always felt ashamed that in 1916, when Waldorf Astor had come to me soliciting my views on particular men, I had not appreciated Milner as I ought to have done. It was through lack of knowledge of him, moreover, one had been prejudiced as a warm supporter of Campbell-Bannerman by the reports of his action in South Africa. But from this time onwards I was privileged to know the real Milner. The Conservative Party contains many able and sincere men, but in constructive statesmanship it has none superior to Milner. I question whether it contains his equal.

In April, 1917, the Voluntary Meatless Day had been in operation for some time, but in the absence of any machinery for the control of distribution it had had an effect contrary to what was intended. This Meatless Day policy of the Food Controller came in for very outspoken criticisms on the part of the Royal Society Food War Committee. They insisted, with a substantial body of evidence, that under the existing circumstances it was having a bad effect in that it drove people, who could afford it, to eat more bread, although there were many more cattle in the country than before the war. In the absence of any machinery for securing distribution of bread at a reasonable price, they contended that

"the millions of workers for whom bread is the main source of working power were being very hard hit because under the Maximum Prices Order the prices were soaring up to the maximum, and therefore, whilst voluntarily abstaining from meat, they found themselves unable to buy sufficient bread. At the same time, under the existing Grain Prices Order, there was nothing to prevent a farmer using cereals for animal feeding."

On the point of policy the scientists at that time were singularly in advance of the Government, and their memorandum of April 24 taken as a whole, was prophetic of the state of affairs twelve



*Painted by L. O. Hoppé*

THE RT HON VISCOUNT MUNNELL K G



months afterwards, and in particular as to the necessity of proper machinery for securing uniform distribution

At the end of May the Prime Minister suggested to the Food Controller (Lord Devonport) that the only way of overcoming the objections of the Maximum Prices Order was to limit the prices of the loaf at the expense of the State. It had clearly to come ; but Devonport resisted the proposal. It was perhaps not surprising under the circumstances, as he had already told us that he did not feel physically equal to carrying on a department the work of which was daily becoming heavier and more anxious, and he did not wish to commit his successor.

Lord Devonport has, I believe, been appreciated for management as Chairman of the London Port Authority, but he was one of the business men who came in during the war, who, although he had had previous experience of parliamentary life, cannot be counted as having been successful as a Minister. The problems of business, even of a great one like the Port of London Authority, are very different from those which concern a Minister, at all events in most departments. A wide view as to how proposals will affect the life of the people and as to the right time and mode of taking any particular public action are altogether different problems from those which arise in business, and, with perhaps two or three exceptions, I do not think it can be claimed that the business men, eminent as they were in their own spheres, who came to occupy ministerial rank during the war, really made substantial contributions to policy in connection with the ever-pressing national problems, notwithstanding that, as executive chiefs, charged with a defined, although vast, responsibility, some of them were conspicuously successful.

Lloyd George thought, as also did many of us, that the right policy under the circumstances since we seemed to be approaching the time when thorough-going State socialism in food control and distribution would be called for, was that some able and trusted member of the Labour Party should be given the offer of the post. It was accordingly offered to Mr Robert Smillie, but he declined the offer. On June 8 it was decided in the Cabinet that a Committee should be appointed to enquire into food prices and food profiteering generally with a view to devising a scheme of operations, and I was asked to be chairman of it. Later in that day, however, Lloyd George sent for me and asked me to become the Food Controller. I asked to be allowed to think it over, and contented myself with saying that there appeared to me to be two very great objections. In the first place, I had charge of a complicated series of Labour negotiations with all the threads in my hand,



and they promised to lead to an agreement with the engineering trades (as indeed they did), and it would be impossible to leave them as they were. This, however, was an objection that time would soon get over, but there was one much greater. I told him that I should like to do the job, but it was perfectly evident that above all things it was necessary to have a man as Food Controller who was without any personal handicap. For some time previously I had been subjected to a sustained campaign of misrepresentation and abuse in a certain section of the Press, and unfortunately one of the most misleading statements of all had been issued from those in touch with the Press at No. 10 Downing Street. It would be difficult to wipe out the effect of a campaign of this kind, and any man who became Food Controller, if he was going to do his duty, must be able to rely in an exceptional measure upon Press support. Whenever the time came to put rationing into effect, a good many weeks or months of trouble would have to be endured patiently before any new system could be got into working order, and public confidence was essential. It seemed to me that it was unfair to the Office, in view of the necessities of the case, to put it in charge of a man who had been the subject of daily execration for some time past. He said that they recognised this drawback, but still pressed me to take it. I consulted two or three of my colleagues on the subject and found them unanimously against my accepting the office on that very ground. It was of governing importance that whoever was appointed ought at least to have a fair start. In the diary of June 8, in which I give the conversation with the Prime Minister at some length, it goes on—

“ I told him that I was a good deal surprised that he was asking me under existing circumstances. He explained, I am quite sure honestly, that he had tried his best to get somebody else who would do, especially a Labour man who had brains enough, and he went on to say that he thought I had the right qualities of mind and knowledge of how to get a big machine running and that I would do the job. I told him I thought I could, but that anybody who had the job to do must have a fair chance, and with the villainous campaign to which I had been subjected for some time past it would mean, not so much that I myself should not have a fair chance, but that the worst would be made of all our inevitable difficulties, and there would not be a fair chance of dealing thoroughly with the matter, and this was the only thing that was of consequence ”

The following day, Saturday, June 9, I was pressed over the telephone to give an answer, and finally said that if an answer were needed over the telephone it would have to be in the negative. On the Monday, June 11, he returned to the charge, and I put my view forcibly before him, and told him that more than one of my

colleagues who had thought it over had told me, I believe quite sincerely, that they were confident that I could do the job well, but they were emphatic as to the necessity, if possible, of appointing somebody who had not been shouted at daily for some weeks past, and that it would not be right under these circumstances to ask me to do it if another suitable man could be found. Judging from his attitude towards me at that time, I do not think Lloyd George himself was very comfortable about it, especially in view of the share of No. 10 Downing Street, in the recent campaign which he himself had had to repudiate in answer to an arranged question in the House of Commons. That story, however, will have to come later. I was convinced, and still am, that just then it would have been a real blunder to appoint any man, even if he had had the wisdom of Solomon, to be Food Controller who was being daily described in a large section of the Press as incompetent. Public confidence was above all things necessary in the Food Controller just then.

My note of Saturday, June 16, contains a final reference to the subject in describing another conversation earlier in the week with the Prime Minister—

"He was, I think, a bit disgruntled at my attitude. At the same time he could not help feeling a good deal of sympathy with me and was a bit uncomfortable from the knowledge he must have had of the genesis of recent Press happenings. During the rest of the week I laid low on this subject and stuck to my work with the A S E, Estimates, etc., and was delighted to hear on Friday that they had decided not to press me further and to ask Rhondda if he would take the post, and that Rhondda had accepted."

Long before this time the statistical experts of the Ministry of Shipping—Watson and Elderton—were able to make complete forecasts of all matters affecting future demands upon shipping—of our own needs and of all the Military, Naval and Allied requirements, as well as of the inland transport arrangements of the supplying countries, of the dates and quantities in which supplies would be available in different ports throughout the world, and of numberless other details. Their weekly and monthly reports were clear summaries of our needs and prospects, and enabled even those of us who had no technical knowledge to see how things were going. On this basis of ascertained fact and informed forecast the Ministry of Shipping was able to manipulate the vessels to the best advantage, and through the Allied Maritime Council they became the ganglionic centre of world transport.

We came through to the harvest of 1917 better than could have

been expected in May, although the sinkings continued at a terrible rate, as already detailed

The imports for the four months (May to August, inclusive) were necessarily less than during the same period of the previous year, but they were 2,000,000 tons more than we had expected to get in. The efforts to bring in more grain and flour had been specially successful, and found us, with the approach of the British harvest, with thirteen weeks' supply. Once supply was assured, Rhondda did not hesitate to limit the price of the loaf. The limitation came into operation in August, it was essential to securing the adequate feeding of the people, and the expenditure involved was abundantly justified.

In the autumn of the year, however, the position became much worse owing to an accumulation of causes. The harvests were bad and an amount of shipping, representing a subtraction of 2,000,000 tons, had to be made available for carrying food to France and Italy before the harvest of 1918. Italy also could not carry on at all without the aid of British coal. Her need was 600,000 tons a month, but at the utmost we were only able to scrape together something over 300,000 tons per month. In November, also, the congestion and dislocation of American railways, caused by the movements of American troops and supplies, coupled with abnormal frosts, much delayed the bringing of supplies to Atlantic ports. In addition to this the arrangements for loading up the Argentine crop could not be in full working order before February or March, 1918, whilst, owing to the length of voyage, we could not divert shipping to bring Australian and New Zealand supplies, although their warehouses were bursting with food. We had lost also, through submarine activity, 600 ocean-going vessels more than we had obtained either by new building or by chartering from neutrals, and the output of new American tonnage had been very disappointing, whilst the movements of their troops and supplies absorbed much more tonnage.

The position as to meat had become most dangerous, especially with regard to butter and fat supplies, as there were no imports coming from Denmark and Holland. These causes together, in addition to the loss by ourselves, neutrals and Allies of more than 5,000,000 tons of shipping during the year and the diversion of so much British shipping for carrying food to our Allies, made the position more acute at the close of 1917, save in respect of sugar, than it had been in April.

We had, it is true, by that time the comforting assurance that the submarine peril might be overcome, but there was immensely less shipping to do the work and greatly increased, non-British,

demands upon it. It was this that made rationing essential for 1918. In the last three months of 1917, munitions, cotton and other cargoes had been held over and some relief was temporarily obtained thereby, although all of these cargoes would have to be carried if possible during 1918. Milner, therefore, was called upon to prepare a scheme for enabling us, during 1918, to do with nearly 8,000,000 tons less than we had received in 1917. On December 1 he submitted a scheme providing for a reduction of 5,500,000 tons. He felt justified, on the reports of Admiral Duff as to our increasing success with hostile submarines, to begin with this lower figure and to hold a further 2,000,000 tons in suspense. The sequel showed that his forecast was justified. His scheme provided for reducing munitions imports by 1,500,000, food by 2,500,000, and timber by 1,000,000 tons. This was a big curtailment of food supplies but no sufficient reduction in imports was otherwise obtainable, and the only way of dealing with this diminished supply was by securing the uniform distribution of the reduced quantity of food.

On this subject Rhondda submitted a memorandum on November 14 that may become historic. The acute shortage of sugar during 1917 had been met by a rationing system, although the system had not been carried to its full completion. There were local famines of bacon, butter, cheese and other foods, and the food queues in the streets, especially at some of the stores, were growing daily in length. The agitation and annoyance that these gave rise to was promoting acute unrest in the country, and the queues provided an obvious and ever-present audience for anyone anxious to foment discontent on any ground. The grievance in itself was serious enough in all conscience. Some shops had no supplies, others, which had, whether of this commodity or that, attracted an ever-growing queue. Unequal distribution more than scarcity was probably responsible for more of the bitterness accompanying the Coventry strike in the autumn of that year than all the industrial grievances put together. As Rhondda pointed out—

"If a system of compulsory and scientific distribution of foods is introduced a smaller supply of food should prove sufficient. A rationing system applied only to one food is unsatisfactory because it leaves the wealthier classes free to devote their excessive consumption to unrationed articles and extend the scarcity to something else."

An enormous margin of supplies also had to be kept to cover inequalities in distribution.

It was clear that the system to be introduced must aim at

securing that the different distribution centres, namely the shops, hâd, if possible, supplies sufficient to go around their customers on a predetermined basis Rhondda summed it up, thus—

“ The principal object of rationing is to secure that in time of stringency the essential foods are distributed first and foremost to the essential workers, that is, are distributed in the national interests and not according to the purchasing power of the individual. Rationing, in fact, is the only possible corrective to the power of the purse in a time of scarcity.”

He therefore submitted a plan based on improvements of the sugar scheme, for extending a rationing system to all the principal articles of food, and, with his characteristic solicitude for the welfare of children, he followed this on December 4 by submitting a scheme for securing adequate supplies of milk to young children and mothers, limiting the amount of milk available for other people and fixing the price. He suggested at first that the system should not come into complete operation until March or April of 1918, but the enormous drain on our shipping to help the Allies had involved a reduction of our own imports of food during the last four months of 1917 amounting to 1,250,000 tons below the estimate of requirements, and a postponement of rationing was therefore impossible. The stocks of wheat would soon be down to seven weeks, and the position with regard to bacon, butter and margarine was most perilous. The arrangements for perfecting the system on the basis of the existing sugar scheme were pushed forward through the Local Committees, and the rationing of bacon, fats and meat became extensively applied during January. The system of rationing the shops for the customers attached to their ordinary place of purchase rapidly reduced the complaints with regard to sugar supplies, and the introduction of the system for meat, bacon and butter in the Metropolis and the Home Counties was attended with such success in abating the queue scandal that it was extended generally. How urgent the matter was will be realised when it is recorded that on February 1 the stocks of mutton and beef in the country had come down to two weeks' supply, of bacon there were only four days' available, and of butter and margarine only three days'. Rhondda was very insistent that a rationing scheme must be thorough and complete if there was to be a scheme at all, and the brilliant success achieved is due to the complete control established throughout over *supply, price and distribution*. Under compulsory rationing, moreover, the margin that had had to be provided for unequal distribution began to disappear, with the result that supplies that formerly only sufficed for thirteen weeks were now sufficient for sixteen.

Rhondda was a calm man and a strong one, but, during December, 1917, and January, 1918, the daily suspense, almost agonies of uncertainty, over the creation and working of this colossal organisation of supply and distribution for every man, woman and child in the community, well-nigh overcame him. For months before, some of his chief men, in particular Beveridge, had been working at the scheme. Beveridge had an immense advantage in that he had had previous experience of creating a local organisation that dealt with individuals, both at the Board of Trade Labour Department and at the Ministry of Munitions, and Rhondda was always giving the freest possible expression to his indebtedness to him for the elaboration and development of this enormous scheme.

Rhondda often also paid tributes to two other men—Mr S G Tallents, who had charge of all the work of the local Food Authorities with respect to the ration-card system and procedure, with all their tricky and complicated involvements, and to W E F Wise, C B, who was responsible for the difficult task of bringing meat under control and securing its distribution throughout the country to honour the ration documents when presented.

The people of Great Britain were rationed more severely, but with more even-handed justice than those of any other country. The only food-stuffs rationed for any length of time in France were bread and sugar, although meat was rationed for a short time. The success of the scheme in this country, I think, was due to two main causes: first, to the knowledge that what food there was was distributed evenly to every member of the population and that no favours were possible to anyone, and, second, to the self-discipline of the masses of the people, who showed in this, as they have done a hundred times before in our history, that, in the last resort, the moral strength of the people, trained in the self-discipline of freedom, is our greatest national asset.

From the month of February, 1918, the danger-point was past. Rationing, the convoy system, new shipbuilding, the increased effectiveness of the anti-submarine campaign, were doing their work. The average monthly losses from submarines in the first quarter of 1918 and new shipbuilding was drawing level, and reached equality in June. By May our stocks\* of the chief foods stood as follows—

Wheat	.	.	.	14 weeks
Sugar	.	.	.	10 "
Mutton and beef	.	.	.	6 "
Bacon	.	.	.	7 "
Margarine	.	.	.	2 "
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From this time onwards things improved

After some eighteen months of struggle, by a united and many-sided effort and, above all, by the steadiness of the people, we knew that, however the war might end, it would not be arrested by the starvation of the inhabitants of these islands

## CHAPTER VI

### CO-OPERATION WITH THE FRENCH, AND THE RUSSIAN REVOLT

M Albert Thomas and Allied Conferences—Mutual Help of the British and the French—The Russian Revolution—The Russian Temperament—Visit of Members of the Duma—The Struggles of Good Men—Extract from Jackson's Report—Corruption—Inspection Difficulties—Extract from Minchin's Letter—Muner's Mission—Reports from Layton and Headlam—Occurrences during the Revolt—Reports from Hanbury-Williams and of what Headlam saw at the Front and Elsewhere—The Inevitable Event

THE foregoing chapters throw light upon the assistance that we gave to our Allies in shipping and in the supplies of food, and it may be of interest to interpose at this place in our narrative a chapter relating to some experiences of work with our European Allies. It is necessary to exclude comments on the conduct of military operations of which I had no better opportunities of forming judgments than any other member of the Government who read the confidential papers that were regularly circulated, and I shall confine myself to some impressions of the many dealings of which I had personal knowledge.

In the case of the French, they were as significant in some ways of the genius and greatness of the French race, as well as of certain characteristic littlenesses, as the conduct and vicissitudes of the war itself. In the case of the Russians, they threw an inside and a lurid light upon the conditions that made revolt almost inevitable.

Our conferences with the French began in the earliest days of the Ministry of Munitions, and formal meetings between the heads of the respective departments were a frequent occurrence on one side of the Channel or the other right through to the end.

Monsieur Albert Thomas was the French Minister of Munitions when Lloyd George took office, and he continued to come over periodically until March, 1917, although somewhat earlier in 1917 Monsieur Loucheur, who was then Under-Secretary of Munitions, had begun to superintend the chief conduct of the French side of the Franco-British munition arrangements. But long before 1917



our workings together had developed into a smooth-running and clearly understood machine

There was nothing of the dapper Frenchman about Thomas. He had the figure rather of a sturdy Yorkshireman who took no special pains as to his clothes or the trimming of his beard, but as soon as he looked at you with that vivacious twinkle in his eye, and especially when he began to speak, he was a Frenchman bubbling over. I never met a man in any country who knew his subject down to the finest detail better than Thomas, but he took big and generous views for all that, and was prompt and bold in his decisions. In the early days, before we were well established ourselves, Thomas was ready in a minute to help us to the fullest of his powers, he was equally ready in urging that the French themselves should run some risks, as indeed they did, in supplying the Russians with rifles, but with all this prompt largeness of view and recognition of our great common purposes he would fight like a tiger over a few tons of aluminium. Whether it was aluminium, benzol, platinum or what not, Thomas was just as much acquainted with all the technical details and scientific processes concerned as he was with the big issues of munitioning, and when he fairly got going at our conferences there was no stopping him. I remember, one day, at an early conference in 1915, when he had been giving us an address for some twenty minutes with sustained and picturesque eloquence over our relative demands for aluminium, Lloyd George passed me over a slip of paper, on which he wrote "Don't you wish you could be as eloquent as this on aluminium?" Indeed, I wished I could, for Thomas could make any topic, however dry and materialistic, to be the text for a dramatic and moving exposition. But with all his eloquence he had a keen eye to business. Our conferences on the whole were the most businesslike and well arranged of any of the many inter-allied meetings that I attended. A careful preliminary summary and examination of the French demands and of our own had always been drawn up beforehand, and we knew what each day's sitting would be concerned with. Sometimes the conferences would extend over two or three days because we had to arrange for supplies not only between ourselves but for the help of our Russian, Italian or other Allies. It did not matter how long they extended, Thomas was as full of exuberance and vitality at the end as he was at the beginning.

In early days the French Munitions Ministry were able to help us immensely by the experiences they had gained in the organisation of small producers, under M. Millerand's inspiration. But, as time went on, the balance of help necessarily inclined more and more

heavily to our side. In howitzers, medium trench howitzers, tanks and otherwise our men led the way, and in many respects British help for the last two years of the war was vital. The deprivation of the ironworks of Lorraine made the French dependent upon us from the beginning, and throughout the war, for every ounce of steel that we could spare, and the weekly supplies came to be enormous. I think steel supply and the products of ironworks were, perhaps, the most important of all the material supplies we provided, and coupled with them was British credit and co-operation in American and Canadian purchases.

I do not know any instance more striking in its contrast of British thoroughness and extravagance, as compared with French frugality and parsimony, than the comparison between the French and the British fuse. The French have a wonderful habit of making simple things do, and doing with a little, whilst the Britisher must have it well done, and plenty of it. The French fuse in its absorption of brass scarcely took more ounces than ours did pounds, but it was as ingenious and, so far as I know, as practically reliable. Although this glaring example of economy was before us from the beginning, it took two years almost to get the same measure of economy into the construction of the British fuses, although never to the same degree of reduction of weight. As between the two of us, however, in new things, such as tanks and gas warfare, the Britisher took the lead, but it was a friendly rivalry and we had no secrets from one another. The late Senator Humbert was extraordinarily helpful in the early days of our difficulties with the large trench mortars, and Colonel Panouse, who was attached to the French Mission in London, was the tact-fullest of intermediaries. He seemed to know his job as thoroughly almost as Thomas, and no diplomat could have been more sagacious in the handling of difficult men or positions. Monsieur Loucheur was, perhaps, the most able of the business men amongst French Ministerial chiefs that we had to deal with, but I confess that I never got quite on such terms of understanding with him as with Monsieur Thomas. You somehow felt that you must be careful how you committed yourself with Loucheur. He was, perhaps, as good a bargain-driver as Thomas, but at the end of it you rather had the feeling that you had been driving bargains with one another rather than co-operating in fighting Germans.

It cannot be said that our work with our French and Italian Allies presented any features out of accord with those characterising our struggles at home. We never had serious trouble with one another. It was just a long succession of difficulties surmounted or avoided, adjustments made and help rendered.

No such comforting recollection, however, attaches to my experience of transactions with our Russian Allies, whose disasters and sufferings were intensified a thousandfold by a lack of equipment. If they had had a system that made a full use of their own resources, or of what was supplied to them by the French and ourselves, perhaps the revolution would not have occurred when it did. Even with the knowledge that we could gain of this aspect only of Russian methods we learnt enough to know that the revolt, blind and violent though it was—as such revolutions always have been in their early stages—was against a system that was indescribably incompetent as well as exceedingly corrupt.

We had in London, and our men in Russia were continually telling us of, a number of courageous and capable men struggling heroically against the awful handicap of a mismanaged and, largely, helpless system, but the drag upon them was too great and only brought into more striking contrast the heroic efforts of many of their Generals and leaders, as well as of the rank and file of their armies for the first two years of the war, to compensate for these deficiencies by the sacrifice of themselves. It was not to be expected that, in a war that became so markedly one of munitionment, with their lack of industrial resources and trained personnel, the Russians would ever have become capable of supplying their own needs; nor can we forget that the immense resources of Great Britain had not been fully harnessed and equipped for the war task before 1916. Nevertheless, if the Russians had been able to make use of the supplies that were available from Britain and France, from America and Japan, to make a proper use of their own resources and to evolve good supply and staff work, the course of events would have been very different.

In the autumn of 1915 their cry was the same as ours. They needed thousands of field guns, hundreds of heavy guns, thousands of machine-guns and millions of rifles if they were to equip their armies on anything like the scale that we and the French were proposing to equip ours, but they displayed, even then, that mixture of pride and incompetence in high places which paralysed the efforts of their best men and agents. For months previously they had been implored to order guns and other supplies, and it was only their rough handling by the Germans in the late summer that induced them to appreciate the reality of the need and to get rid, at least, of some incompetents.

At conferences that we had in the November of 1915 it was arranged between the French, the Italians and ourselves to supply them with a large number of rifles and small arms ammunition,

and at one of these conferences with the heads of the Russian representation I was able to gather a first glimpse of the morass of difficulty in which they were struggling

A single instance may be quoted of the state of affairs as it was revealed at that time I had been trying to find out what had become of certain ammunition that had been supplied, and I cannot do better than quote an extract from a note of November 25 as illustrating it—

" Great stocks of ammunition are held up on the Trans-Siberian railway or from Archangel, and we found that many of them were lying in railway sidings The fact appears to be that if in some of these places you approach the station-master with a sufficient number of roubles the goods will be sent along until they happen to fall into the hands of some other station-master of a similar disposition, and if a trader comes along with, say, pianos or silks and offers him a suitable number of roubles, then his consignment will get through and the ammunition will have another rest in the siding I asked them why in the world they did not shoot a dozen of such station-masters The suggestion was met by a despairing shrug of the shoulders and the remark that ' it was the system ' They know it to be humiliating, but they are powerless to tackle it "

We saw over here some of the best and ablest of the Russian leaders In May, 1916, we had a deputation from the Russian Duma that, in capacity and readiness of apprehension, displayed a quality that I have not seen equalled in any such deputation In response to their questions we explained our own system for developing engineering works, for arranging supplies and distribution of material, for dealing with labour and other essential matters Their conclusion was that the best that could be managed in Russia, because of their lack of experienced personnel, would be to concentrate upon the development of those works that already had some body of experience behind them This may have been the right policy to pursue, but they were crippled and confined all the time by a system of commissions, apart from incompetence, that extended from the production of the raw material down to the inspection of the finished article.

Although the Russians did well against the Austrians in June, 1916, I see that my note of the 12th says that,

" knowing as we do the extent of their munitionment, one cannot feel any confidence in the ultimate issue The fear is that they will get rid of their stocks of munitions and then be driven back again Although the Austrians may be pretty hard pressed for men, they are uncommonly well equipped with heavy guns "

Sir George Buchanan, as early as September, 1915, had given us a very dismal account of the quality of much of the Russian

Staff work and of those who were in charge of the executive direction of affairs, and, early in 1916, Robertson furnished an expert account that more than justified Buchanan's prophecies. Up to the middle of 1916 the Russians had done much better than we anticipated in the production of rifles, field guns and ammunition, but just as the transport organisation from the ports, where our own stores were landed, was half-hearted or useless, so it was, unfortunately, with many of the things they produced themselves. They were short of locomotives, trucks and transport supplies all the time, and, except for occasional spurts, the organisation of transport seemed to remain the most dismally incompetent of all their services to the very end. Nevertheless, we were constantly coming across bright patches, and on enquiry it always appeared that it was because a few capable and trustworthy men had got hold of that section of work. The good result such men rapidly produced only revealed the more plainly what a wealth of splendid material and men there was all the time, and how the penetration of a long-established, rotten system was paralysing the efforts of a great nation, and their soldiers in multitudes were paying the penalty in death and suffering.

In October, 1916, they asked us to send out General Jackson to make a report and to give advice upon the development of their trench warfare methods. Jackson's report, like every other, showed what could be done where a few competent men got the chance but how grievously weighted down they were.

Two or three paragraphs from this report ought to be quoted—

" . There are, first the difficulties of dealing with the Russian temperament, and of organisation in a non-manufacturing country. The Russians ask for help and yet in a way are unwilling to accept it. They are inclined to be jealous of the fact that other nations are ahead of them in technical development, and officers in charge of theoretical and experimental departments seem at first much more anxious to expatiate on their own progress and inventions than to hear what has been done by others. With some highly placed officers again, the idea of help seems to be a sort of fairy gift of unlimited guns and equipment of the most modern type and yet such as can be utilised by men with very little technical training. They hardly realise that a special effort is needed at their end to prepare for making the proper use of such material as may be sent. Moreover, they are inclined to insist (most politely) on what they want, rather than to enquire dispassionately into what can possibly be done with existing means.

" Let it not be thought for a moment, however, that they are not helping themselves. In many directions they have done wonderful work, and in this connection the great latent strength of Russia, moral as well as material, must not be overlooked. 'Nitchivo' ('no matter') is a great word in Russia, but it is not the only word. The Russian is fond of letting things

drift till 11 55, but what he can do between 11 55 and 12 is astonishing, if he is really interested. It is worth while to realise these points because it is essential that we should help them, and equally so that the help should be of a kind that they can and will use.

"The main difficulty that confronts Russia in such a war as this is that, while there are men of very considerable ability and scientific attainments at the head of affairs in Petrograd and elsewhere, with highly trained staffs and first-rate fighting men at the front, there is, from the lack of general education and national manufactures, no intermediate stratum of educated or technically skilled lower middle class that can be drawn on for operating scientific equipments for modern war."

As one became more and more familiar with the difficulties, it was tempting to imagine corruption almost everywhere, but frequently I discovered that mishandlings or faults that I had been disposed to attribute to this had really resulted from those manifestations of Russian psychology to which Jackson alluded and which are difficult for the ordinary Britisher to understand. As to corruption, I shall never forget that one day, after some prolonged sittings with a most influential Russian delegation in London—as the result of which we had entered into extensive commitments to help them—one of my secretaries came into my room with a quaint smile on his face telling me that one of the members of the mission who was attached to the Head of it wished to see me on a personal matter. Having taken the precaution of having a secretary present, I saw him. After some beating about the bush, it turned out, in plain English, that he was perplexed to know how the commissions were to be arranged which he anticipated would be available to certain members of the mission. I had to explain to him as politely as I could, but none the less forcibly, that we did not do things that way in this country, that I hoped that they were paid sufficiently well to make them immune from temptations of that kind, and that if State servants over here were known to receive commissions they would be most severely dealt with. He was, I believe, quite honestly surprised, and it was only another illustration of how widespread the system was and how it extended from high places down to a humble station-master on the Trans-Siberian railway.

For all that, some of our difficulties, particularly with representatives of the artillery departments, were due to quite different causes. We ourselves had had good reasons for knowing how exacting sometimes were the demands of artillery experts, but the most exacting British specialist that I ever came across was a model of elasticity compared with some of the Russian inspectors. On one occasion some Japanese makers, on the receipt of the Russian specifications, wanted to know if the shells were to be made as

"exhibits" The requirements were so meticulous and so unnecessarily ornamental that it was not unnaturally assumed that the product would be placed inside a glass case rather than in the barrel of a gun. We had a wholesale exhibition of this blend of artilleryman's pride and Oriental vanity in America.

As mentioned in the first volume, Lloyd George sent General Minchin out to America in the summer of 1916 to take charge of the inspection of our munitions there and to secure as much speeding-up as possible. Large orders at that time were being executed in America for the Russians, and we were financially responsible. The Russian officers, however, insisted on having their own separate Inspectorial body, and Minchin soon found that what was really happening was that goods were being produced in large numbers which he would have had no hesitation in passing as efficient, that the British Government were paying for them, but the makers' stores were being blocked by them as it was almost impossible to get them through the meshes of the Russian inspection notwithstanding that the Russian soldiers were famishing for what was accumulating.

The matter cannot be better stated than in an extract from one of Minchin's letters to us of June, 1916. In giving the quotation it should be mentioned that General Gosselin was the Head of the French Mission, and that Mr Stettinius was the representative of Messrs Morgans, who had been responsible for placing most of the contracts—

*June 21, 1916*

"I think it desirable to lay before you my views on the question of the Russian inspection in this country

"Since receiving your first telegram, No 492 of June 13, the position has assumed much greater urgency. On that date I attended a meeting at the French Commission office, at General Gosselin's request, to discuss the position with him. He impressed upon me the importance of definite action being taken as soon as possible to assist the Russian Commission, which he states was seriously hampered in dealing with the contracts placed by the British Government for Russia in this country.

"On receipt of your cable I at once put myself into communication with Morgan's and had a long talk with Mr Stettinius. He collected all the papers, including copies of the contracts, representations from the various contractors, letters from the Russian Mission—in fact, all the papers bearing on the matter, and sent them to me for my perusal. I have also attended a meeting at Morgan's office and discussed with Mr Stettinius and General Gosselin of the French Mission the general position. We got Mr Grace (President of the Bethlehem Steel Co) to explain to us the nature of the difficulties he experienced, and the various ways in which production was being, not merely hampered, but actually prevented by the action of the Russian inspecting officers.

"Mr Grace explained that the organisation of the Russian Commission

at New York placed officers in control of the inspection of each nature of component, thus, all questions relating to shells had to be referred to one officer in New York. Similarly, all questions as regards fuses went to another officer in New York. Similarly with primers, cartridge cases, explosive charges, and all the various items composing the complete round.

The inspectors inspecting empty shells would pass, perhaps, 25 per cent of the production. When these came along for filling they were inspected by the officer in charge of the filling, who inspected them entirely all over again and rejected a further percentage. The same thing happened when the complete round was assembled, practically every component was examined, gauged, weighed, and tested all over again by a series of officers having different views without any interchange of opinions, and who refused, practically always, to give reasons for rejections or to abide by each other's decisions.

After so many months of Russian inspection only fifty rounds have been actually accepted.

In fact, it appears to me that it is possible, under the existing state of affairs, that the British Government may be embroiled both with the U.S. Government and the Russian Government. If, however, we could arrange to take over the control of the inspection, any risk of trouble with the U.S. Government would be avoided.

"The failure of the Russian Commission to deal with the output of the contracting firms is due to several causes. Firstly the language difficulty. Most of the inspectors and examiners can only deal with the firms through interpreters. Secondly the members of the Russian Commission have extremely autocratic ideas, they are easily annoyed, and they stand on their dignity to an excessive extent. If, through any misunderstanding, their susceptibilities are hurt, they leave the works and do not return for considerable periods. Thirdly the organisation is not fitted to deal with the conditions under which the work is being done. It is essential that the local officers should have full responsibility and be prepared to exercise it, to make decisions, and finally to settle points once and for all. As matters stand the same point is raised over and over again by different inspectors and settled by them in different ways."

In other parts of Minchin's letter he refers to important firms where, after careful examination of the facts, he had found that the experiences of the Bethlehem Steel Company had been repeated.

In the early days of 1917, when the revolutionary movement was in its early stages, it looked for a time as if Lvoff, of the Zemstvo Union, might obtain control of affairs, but events were moving too fast. In January, 1917, Milner was sent on a special mission to Petrograd, and an important part of his undertaking was to report upon how we could be most helpful in what seemed then to be a time of greater hopefulness and of readiness to deal with inefficiency. Months before this our supplies had been heaping up at Archangel and at other depots, and scarcely half of what we had sent was being used. Layton, the Chief of the Intelligence Service at the Ministry of Munitions, went with Milner, as well as Major-General John Headlam as an artilleryman. Layton returned with Milner, but Headlam remained to assist Lieut.-General Sir



Hanbury-Williams, who represented the War Office in Petrograd, and the reports and letters which these gentlemen sent are the most living and expressive descriptions of the rapid and disastrous course of events at that time that I have seen. They were written on the spot when things were happening and the Czar and the Grand Dukes were being deposed, and when the revolutionary movement, through its council of soldiers, was rapidly approaching the climax that resulted in Russia leaving the war altogether.

A complete programme was arranged by Milner's Mission at Petrograd for the supply of stores and for the movement of what they had already received, but they had not been home long before it was clearly useless to send more.

A couple of extracts as embodying my own impressions of some of Milner's reports may be quoted as appropriate in this connection—

*March 6, 1917*

" The organisation of the railways is an indescribable muddle and is the chief thing to be taken in hand, although it appears gradually to be improving. The lack of roads and other facilities for transport is, of course, a frightful handicap. The Russian demands, as first presented, involved a tonnage about three times greater than all their ports together could possibly handle. After this had been pointed out to them, it was gradually worked down to a reasonable figure. Milner insisted very strongly that, even if some of the munitions were wasted, it was of the utmost importance, both for the war and for the future, that both the French and ourselves should show our willingness to do our utmost to help, as otherwise the Russians would have the feeling that we were leaving them ill-equipped and compelled to make up the deficiency by a sacrifice of lives. He said that they generally felt that they had not been fairly treated and that our policy should be to supply them with all that their ports could take, receive and handle. Layton, I am glad to say, appears to have been extremely useful to Milner."

*March 14, 1917*

" On Thursday, Milner and I discussed the various messages that had come through, giving an account of the increase in strength of the popular movement and the siding of the troops with the people and the progressives in the Duma, then the formation of the Duma Executive, with its refusal to be dissolved, and it appeared on Wednesday that the Zemstvos would have the whole Army on their side—which has finally turned out to be the case.

" As the popular accounts show clearly enough, and as we have heard for many months past, the dissatisfaction with the Government was not, primarily, connected with revolutionary or anarchical movement. It simply was utter disgust of the Army and the Staff and of the best elements in Russia with the unspeakable incompetence of the Central Government, with their dallings with German influences, and generally with the coercion and obstruction that opposed every helpful movement. . . . It looks as if the old

regime is crushed The danger, of course, is quarrels and differences affecting the stability of the popular Government . . ."

Early in April, General Helfreich was appointed Head of the Russian representation in London that dealt with munitions, and he made heroic efforts from this side to get some of the accumulations of stores cleared up and to put things on to a better basis But it was all too late

Some extracts from Layton's and Headlam's reports and letters may be quoted as giving a first-hand impression, written at the time, of the state of affairs—

*From Layton January 30, 1917*

" . We had a phenomenally mild sea trip to Kola, and a comparatively uneventful train journey at an average rate of something like 15 kilometres an hour Only one goods train has left Romanoff up to date with 110 tons of goods, and as our trip appears to have disorganised the line for a week at least, it does not seem probable that much will be brought into Russia by this route until March

" It is very hard to get the Russians to attend to business, instead of giving receptions and attending functions

" Munitions occupy a great deal of attention, and it is perfectly clear that we ought to be strongly represented in Petrograd No one here knows what has been sent from England "

*From Layton February 8, 1917*

" For the last ten days Headlam and I have been attending daily conferences at which General Belayeff, Minister of War, with the Grand Duke Serge, has been putting forward enormous programmes of demands covering not only artillery and other completed munitions, but metals, mechanical and railway transport supplies, aeroplanes, explosive materials, articles for the Ministry of Agriculture and Marine and for the equipment side of the War Office (cloth, leather, etc ) Many of these do not concern us in the least, but we find that Russians cannot be hurried, and until they have got out their whole story they will not come to the crux of the matter—viz the scaling down of these demands to the available means of transport . There is an appalling lack of co-ordination between Government departments here , the heads are continually changing, and the consequence is that those in authority have only the haziest idea of the munitions situation and of problems which are familiar to us

" The French Mission, which has been out here for two years, has done marvels and is largely responsible (though they don't get the credit) for the increase in the output of munitions But they are working in the Moscow area and appear to be rather out of touch with headquarters here

" The problems that present the greatest difficulty are not connected with the workshops, but are those of transport and the output of native material . "

*Letter from Headlam February 8/21, 1917*

" The Munitions Sub-Committee were the first to meet, but so far we have been overwhelmed with the enormous numbers attending—at the first meeting we must have had nearly a hundred At our urgent request the Minister of War said the next meeting should be reduced to the 'fewest

possible,' only the actual experts who could speak with authority We cut our party down to Layton, myself and Knox—and then found forty assembled! It was very difficult to make progress, but we did get a combined statement of the actual position so far as guns, rifles, ammunition, etc., in charge of the various departments agreed to by all the heads—the Grand Duke, the Minister of War, and the Head of the Artillery Department This is what we have never been able to get before, and we insisted it as an essential, so some progress has been made I represented to the Grand Duke that it was impossible to discuss its details in such a gathering, and he will see Layton and myself privately to go through the figures as soon as we have sufficiently digested them

"We have been presented to the Emperor, been to a reception at the Foreign Office, and also to the ballet at the Opera House, but between times we are getting on in various directions, and keeping in the closest touch with the French in everything So far, I am afraid it is impossible to form any idea as to the progress, but we are doing our best, and now that most of the formalities are over and the speeches made, I hope we shall get on with business "

*Letter from Headlam February 8/21, 1917*

"I have seen a good deal of the Russian artillery authorities and have no doubt whatever that, as far as the technical part of the work is concerned, they have little to learn from us In some directions we can probably pick up some wrinkles from them As regards the practical application in the field, it may be a different question, but that is a matter upon which I cannot speak until I have visited the Front . . ."

An extract from a report from Hanbury-Williams may appropriately be quoted here as showing the internal cross-currents that were exercising their paralyzing influence—

*From Hanbury-Williams, March 7, 1917*

"I saw General — this morning and found him much depressed He said he felt that in his fight for order everyone was against him, but as long as he was Minister he would continue to do his duty He said the disorder on the railways was accentuated by the severity of the winter, but was caused chiefly by deficiency of engines He blamed the Ministry of Ways on account of the low price paid for engines and for repair . All the engine works are private firms, and they defer engine-repair and construction for more lucrative work

"He has come to the conclusion that the metallurgical committee is worthless It distributes metal to all factories which have Government orders, but those factories have also private orders, and the committee has no check on the metal used for the latter The firms make use of their Government orders simply to obtain fuel, material, workmen, and devote 50 per cent of their time to lucrative private orders. . . "

The accompanying extracts from Headlam's letters on his observations at the Front explain themselves—

*"March 12/25, 1917.*

" . . As regards the object of my tour, I have seen sufficient to be quite sure that in England generally the tendency is to underrate the ability

of the Russians to handle such artillery, etc., as we may send them. I do not mean to say that they have developed things to the same extent that we have in France, but then their conditions are very different. They are certainly not the mere amateurs that some people would have us believe.

" . . . The Emperor had left here (Stavka) just before I arrived to join the Empress at Tsarkoe Selo, where the children are ill with scarlatina. Everyone is very anxious to get them out of the country as soon as possible, for, while they are here, there is always the possibility of the extreme section proceeding to violence .

" 9/22

" . . . The question of whether the Grand Duke Nicholas would be allowed to assume command was still in doubt on Thursday. On that evening General Williams had an interview with General Alexaw, and on Friday morning he informed me—

" (1) That the Grand Duke Nicholas would arrive that afternoon

" (2) That under present conditions it was not expedient that I should ask for permission to make another visit to the Front

" (3) That owing to the arrival of many senior Russian officers, the Stavka was getting crowded, and it would be better if I moved on to Petrograd . . .

" 9/22

" 2 On Thursday morning I went, at His H's direction, to see the Grand Duke Serge. I found the G D Alexander with him, and noticed that both had removed the Imperial cipher from their shoulder-straps, and were no longer wearing the aiguillettes of an A D C to the Emperor.

" They both looked very worn and anxious, but showed great interest in all that I had to say of what I had seen of the artillery and flying corps during my tour. And the G D Serge recommended me to visit next the 10th Army, where I could see all the preparation for an offensive which had been made last year. After the G D Alexander had gone the G D Serge spoke to me about the present situation, especially as regards the state of the Army—he did not refer to the causes of the revolution, nor did he mention the Emperor.

" He told me that at Petrograd and elsewhere regiments were electing their own officers, putting in some cases subalterns (in one case a sergeant) in command, and making the senior officers serve under them. He said that he himself and the G D Alexander did not know from day to day when they might be called upon to resign.

" I told him of the extreme orderliness which had characterised the demonstration at Kiev, and especially of the punctilious attention to saluting officers which I had remarked. He was, I think, pleased to hear this, but said that it was quite exceptional, and due to the 'cleverness' of the General, who had seen what was coming and arranged with the civil leaders to work together for the maintenance of order.

" 10/23

" Late next evening the Grand Duke Alexander was called upon to resign.

" 10/23.

" On Friday afternoon the Grand Duke Nicholas arrived, I did not see him, but all the heads of the Foreign Missions dined with him, and General Sir Hanbury-Williams informed me that His Highness had had a triumphant

progress through Russia, being received everywhere with acclamations To-morrow, it is reported two members of the Government are coming to see him, presumably to ask him to resign. The position is very critical, and the situation of the representatives of the Allies very difficult

" 10/23

" This (Friday) afternoon there was a Republican demonstration. I met the procession, but found no enthusiasm. There were a lot of school-boys in front, all very cheery, who saluted me, and, barring two or three typical agitators leading the procession, the crowd was composed of ordinary spectators who had obviously been out for a walk in the sunshine and joined in to see the fun . . ."

Headlam's report at Stavka as to what he saw at the Front is as descriptive as anything could be of the misgivings that we had previously entertained and of the inevitable and rapid sequence of events—

" *March 10/23, 1917*

" The news of the outbreak in Petrograd was communicated to me on arrival at Tarnopol, on March 2/15, by a Staff Officer kindly sent from the Headquarters 11th Army. But at that time, and indeed for the next two days, little was known of what had actually occurred. It was reported that beyond a conflict between the military and the police, the change had been accomplished with little or no disturbance or loss of life.

" Owing to some delay in the printing of the Manifesto, the news was not communicated to the troops until the day of my departure, so that it was impossible for me to judge personally of the effect on the men in the trenches. But among the officers the feeling was undoubtedly one of relief that the crisis was over, and without more disturbance. It is no good disguising the fact that the abdication of the Emperor was looked upon as the first step towards the elimination of all German influences—as one officer said in my presence, ' Now we shall get rid of these devil people ' There was no suggestion that the Emperor was personally anything but loyal, but the feeling against the Empress was very bitter. At the same time no anti-dynastic sentiment was expressed. The Grand Duke Michael's succession was welcomed, and many spoke of the possibility of arranging that the Tsarevitch should in turn succeed him, while the appointment of the Grand Duke Nicholas as C in C was very popular. Next to the feeling that German intrigues would be effectively checked, the change was welcomed as leading to representative government. It seemed to be universally accepted that the immediate effect of the revolution would be a consolidation of the whole nation in the prosecution of the war, and an enormous development of national strength. Finally, it was said that the consciousness of at last having the nation solid behind them would be the greatest encouragement to the Army.

" 3 I left Tarnopol on March 5/18, travelling with an officer who had just read the Manifesto to his men—he told me that the news was received perfectly quietly, and there were certainly no signs of excitement in the town. But on arrival at Kiev the next day we found things very different. The

troops were defiling before the General in Command of the District and the Local Authorities at the Town Hall, and the streets were thronged. Here for the first time I saw signs of Republican sentiments. There were a few red flags, and the statue of Stolypin had the face covered with a red scarf, and a placard 'Damned Traitor' hung round the neck. Next day the demonstration continued, and the Republican element was certainly much more pronounced. The bands played the Marseillaise and most of the soldiers—officers as well as men—and the majority of the civilians wore red rosettes, while many regiments carried red banners. Some of these had inscriptions hailing the 'Democratic Republic,' but more bore simply 'Welcome to Freedom,' 'The Nation and the Army,' 'A National Army,' and such-like sentiments. At the same time, the bandage and the placard had been removed from Stolypin's statue, and the most perfect order prevailed. I watched the march past for hours, visited the Central School of the Flying Corps and the Arsenal, and did not leave until a midnight train, yet the only dangerous element I saw were a few students evidently in rather a hysterical state. All the shops were open, everyone looked cheerful, and there was not the least system of hooliganism. The turn-out and discipline of the troops in the streets were excellent, work was going on at the Flying School and at the Arsenal, and the punctiliousness with which I was everywhere saluted, in spite of the crowd and excitement, was most marked.

" 4 On the 6/19 I left Kiev for Megilev, and on the way received the War Minister's orders removing the restrictions on private soldiers. When Count Frederick's saloon was attached to the train at Gomel there was no disorder or hostile demonstration, though a considerable crowd assembled on the platform.

" 5 Yesterday I had a long talk with a friend of mine, a Russian officer who has just arrived from Petrograd, where he had been all the time. The following represents the substance of what he said—

" The cry is already to kill Rodzianko, who, the anarchists say, is now only thinking of making himself first President of the Republic, and Kerensky, their own socialist representative in the Government, because he is too moderate, and they say, now he has become a Minister, he does not want to do more. The Government dare not tackle this element because they have succeeded in obtaining the support of the Soldiers—and the Union is now called the Union of Workers and Soldiers. The Soldiers in question are those in the depots in Petrograd, not 2 per cent of whom are old soldiers and have seen service—mostly youths of 18–19. During the first two or three days they looted the food and drink shops, going to sleep on the spot when they got drunk. Now when spoken to they don't know what they are out for.

" They are already saying they have done their work in dethroning the Emperor and demanding to be given pensions and let go. Not much material damage was done in Petrograd, and the offices of the Ministry of War were not interfered with beyond the fact that the windows were broken and the chauffage pipes cut with bullets, and the great coats and swords looted from the hall! But six generals were killed in the streets and some police inspectors are said to have been burnt. The sailors of the fleet are the most dangerous element. They burnt the Admiral alive, his wife died of the shock, and her daughter shot herself. . . ."

From this time the process of disintegration went on rapidly,

and the following paraphrase of a telegram from Headquarters at Petrograd may be given as a concluding quotation—

“ I have most depressing information from various fronts gathered from many sources Artillery ammunition stocks very low and majority of guns wearing out, infantry refuses to attack Food ration very short Officers have no authority Discipline purely nominal

“ I am continually receiving delegates from large groups of officers . They are all glad that authority has gone, but say that it is not now possible to carry on duties and that declarations that the war will be carried on to a successful end can have no meaning, as the Army is not in a position to do so No orders to the men are obeyed unless they choose . ”

We never got to know what had happened to some of our own supplies, but the facts were ascertained with regard to the 400 4 5" howitzers we had sent out after prodigious efforts and after much self-sacrifice on our own part. They had been delivered at Archangel and elsewhere several months before, but we found that not more than 200 of them had ever been made use of or even been mobilised at all. A large number were found assembled together covered with tarpaulins months after they had been received and had been wanted so badly by the men at the front Hundreds of thousands of tons of stores remained at Archangel, Muramensk and elsewhere Our Russian Allies regularly asked for more than they could get to the front, often more than the men could use if they had received them They were short of rolling stock and of transport facilities, it is true, but there was an indescribable and obstinate incapacity to make use even of what facilities they had It was maddening enough to us How much more so must it have been to those thousands of gallant, capable men struggling against it in Russia? If only a glimmering of the truth were known to the men at the front, there is no wonder that there was revolt The plain fact was that an inefficient and corrupt system based upon tyranny and illiteracy had broken down, and no efforts of their own best men or the willing sacrifice of life at the front could bolster it up

## CHAPTER VII

### SHELLS, AIRCRAFT AND OTHER SUPPLIES, 1917

Special Effort to establish a Big Ammunition Reserve—Milman—Letter from Haig—Aircraft—Last of the Old Controversies—Cowdray, Carson, Weir—Organisation for Big Production—Industry and Science—Transport Supplies—The Medley of Types—Stores and Accounts—Financial Reorganisation—Hyde's Committee—The Finance Board—Ross Skinner—Garnsey and Guy

**T**HIS narrative would be very incomplete and without just proportions if it did not contain a chapter reviewing some of the more striking achievements in production of the Ministry of Munitions as the full tide of its activity began to flow

The burden of work cast upon it in many directions has been revealed throughout this story, but there were some undertakings of the first six months of 1917 that ought to receive separate mention. Some of them were known only to the General Staff and ourselves—such as the special effort to accumulate an abundant reserve of ammunition for the offensives of 1917, some were obvious and public—such as the big scheme of aeroplane production and the provision of railway and transport material, whilst others were strictly domestic, but not less important and arduous because they related to such unattractive topics as stores and finance

#### EXTRA AMMUNITION

Towards the close of 1916, when the Army was becoming fairly generously supplied both with guns and ammunition, it became increasingly certain that all the earlier calculations, as to the number of shells a gun could fire per day, and the length of life of the gun itself in the number of rounds it would fire, were going to be greatly exceeded. By December, 1916, we were comfortably able to fill, assemble and transport a million and a half complete rounds per week, but I had serious doubts as to whether, when the extra demands of the spring came, the amount accumulated in France would be sufficient for us to be comfortable that the Army had a sufficient reserve. I therefore instructed Layton,



West and Stevenson to go into this question, and, at a conference on December 13, we were all satisfied that we should only achieve a proper margin of safety if we made a special effort for three months to increase the numbers of filled and completed rounds of ammunition. Milman, therefore, as the Controller of the Filling Department, was instructed to lay his plans for filling an additional 300,000 to 500,000 per week for three months, and Ross Skinner, who had been helping Sothern Holland in Inspection, undertook to obtain the rectification of a greatly increased number of fuses each week. Milman went into the details with those splendid men who were in charge of the different filling and assembly sections, and on January 5 it was agreed that we could do it.

It was an immense undertaking. We had to provide an expansion in our output in a short time three times as great as the total output of early days, and the necessary arrangements were very elaborate and detailed. Each ingredient of a completed round—the cartridge case, the shell, the fuse, the gaine and the rest—required their own assembly, inspection and filling arrangements, there were also the appropriate ammunition boxes to be provided, and the final assembly, marrying-up and transport of the completed rounds, as well as the arrangements for store and shipping. The work of a great body of people was involved and, above all, a clear-sighted direction at the head. It turned out to be fortunate that we had taken this action in December, for on January 22 there was before us a new demand from the War Office putting into precise terms the increased shell requirement of the guns and the figures of gun replacement and addition. These latter, added to the burden already undertaken for providing guns for merchant ships, meant a great expansion of the previous programme of work. By that time, however, Milman and his men, working on the supplies Glyn West had not failed to provide, were ready for it.

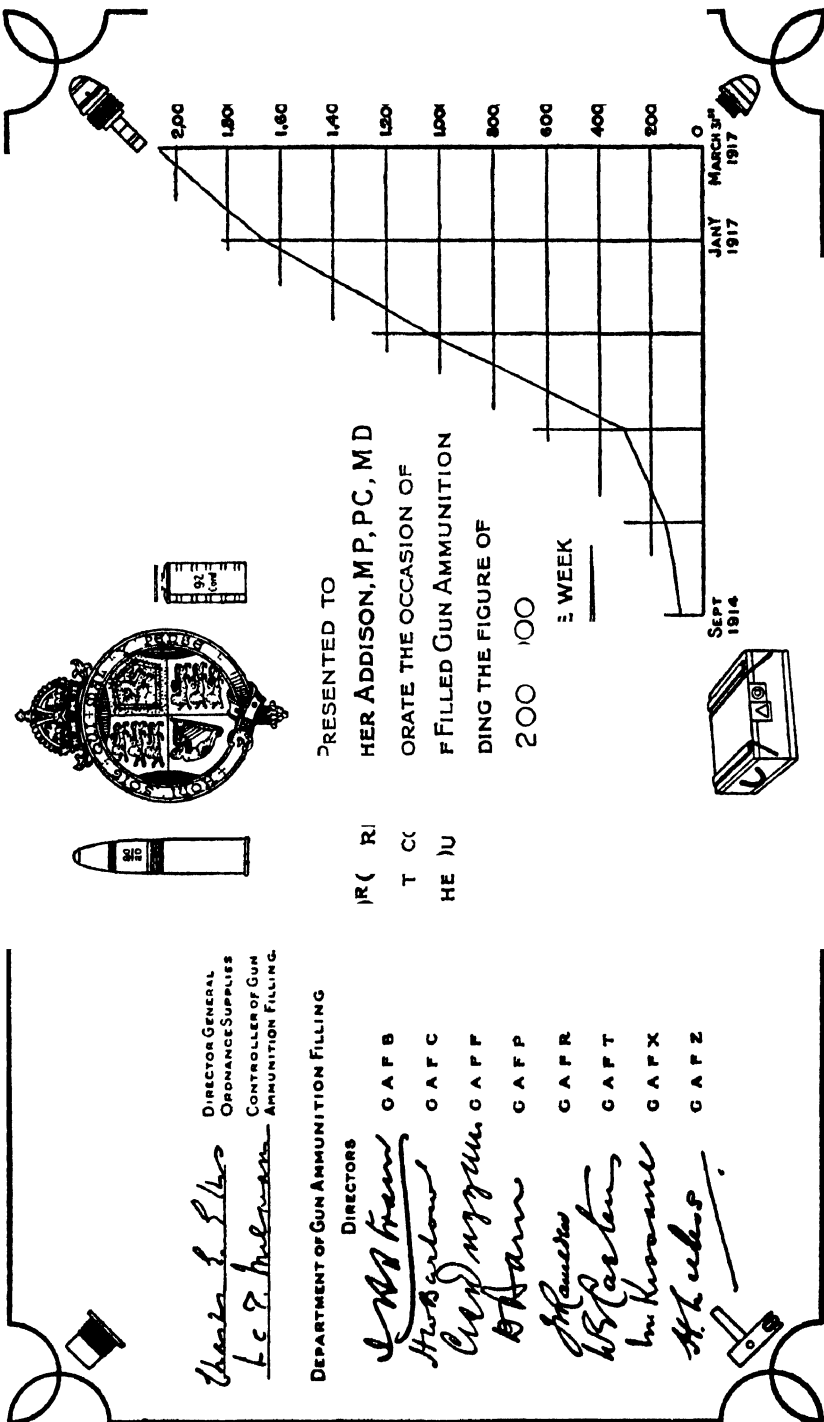
There were two features of the supply of this spring that were more or less new. One was a greatly increased proportion of smoke shells, and the other of instantaneous fuses. In early 1916 a high proportion of the fuses asked for were of the delay action type, as a result of which the shell buried itself in the ground and made a deep crater, blowing up entrenchments or dug-outs, as the case might be. One effect, however, was, as on the battle-fields of the Somme, that the whole landscape became impassable, with tens of thousands of craters full of puddle and slush, and there was much resulting immobilisation of the Army that had to pass over the shell-torn ground. The bearing of this upon the use of tanks has already been commented upon, but the delicate

instantaneous fuses that were produced in the spring of 1917 produced a desolating effect along the ground, without the formation of such deep craters, and the demand for them was very great.

Putting aside technical details, it is sufficient to say that in the first three months of 1917 the men at the Ministry, and the people in every factory from management to workpeople, threw themselves with tremendous enthusiasm into this extra effort. Everybody knew that we were trying to give the Army a generous supply for the spring, and everybody, from Milman, at the head, down to the girls in the factories that packed and marked the ammunition boxes—managers, men and everybody—worked with tireless zeal and energy, and with a new gladness. Somehow the feeling was different from the days of our early struggles. We knew in those first months that we were struggling to make up deficiencies, but, now, everybody had a sort of happy feeling that they were providing "Tommy" with an extra generous supply, and that he would be delighted and perhaps surprised in the coming time of trial to find this inexhaustible and ready store behind him. Towards the end of March, General Furse, the M.G.O. at the War Office, had to ask us to moderate our supplies. It was the first time we had ever had such a request. Our weekly output was then 53,000 tons of filled ammunition, but the other demands on transport were then making it impossible to move more than 46,000 across the Channel each week (a fortnight later only 35,000 tons could be carried for some weeks), so that at long last we had seen the day when the Army authorities had come to us and said, "Hold! Enough!"

It so happened that about that time two documents came to me which I greatly prize. One day Milman sought an interview with me, and I found that he and some of his chiefs had come to make me a little present. It was in the form of a memento of the special filling effort. Both Milman and his colleagues were quite shy about it, and the last thing that seemed to emerge in what he had to say on behalf of his colleagues was that they themselves had done this very great thing. The memento is reproduced on the next page, and speaks for itself.

The other paper that came along at the same time was a letter which the generous supply had prompted Field-Marshal Haig to send on his own account (see page 87). One felt, anyhow, that, however the munitions might be used, as munition-suppliers we had made good. I was greatly touched by Haig's letter as a personal and unsolicited one to myself, but, knowing as I did that the people in the factories had been working at great pressure for



GENERAL HEAD QUARTERS,  
BRITISH ARMIES IN FRANCE.

5th April, 1917

Dear Dr Addison,

I am writing to thank you and your Staff for the successful efforts which have been made lately to provide increased numbers of Smoke Shell and of Special Fuzes. As you know I attach great importance to a good supply of No.108 Fuzes, and I know I can rely on you to do everything in your power to give me all I require.

*We are all most grateful for your efforts to help the Armies in France. And with kindest regards*  
*I am*

*Yr. Obedt. Servt.*  
*D. Haig.*

Right Honorable Dr C Addison,  
Ministry of Munitions,  
Whitehall, S.W.

a long time and with remarkable enthusiasm, I asked him, if the results of the ammunition justified it, to write me a letter that could be issued or reproduced in the munition shops, and especially where (as in the provision of extra supplies of chemical shells) the people had been working not only at a great strain, but at considerable personal risk. At the beginning of May, Haig responded with the accompanying letter (opposite page) which he asked me to publish as it was, and it gave deep satisfaction everywhere.

#### THE PROVISION OF AIRCRAFT

It has already been told how, after months of haggling, disputation and uncertainty, the Ministry of Munitions was charged, towards the end of 1916, with the duty of supplying aircraft. The decision had been taken only just before the break-up of the Asquith administration, and I remember that I had a shock on the day that we kissed hands on our new appointments, when Curzon came to me and said he had been thinking that the decision ought to be reconsidered. Curzon is nothing if not logical, and this was, I think, the only occasion on which I have ever known him want to go back on a carefully considered decision, but as Chairman of the Air Board, and perhaps with the additional fascination that the subject had acquired in his controversies with Balfour as First Lord of the Admiralty, he had conceived a special affection for the subject. I explained to him that we had already got a strong body of men under McDougall Duckham's chairmanship, considering ways and means of big-scale manufacture, that the decision to centralise production was clearly right whoever had the job, and that it was too late to go back upon it. I was told afterwards that he brought up the subject with the Prime Minister, but he gained no support. It was the last flicker of an old dispute, except that, early in January, we had flesh-creeping reports through General Brancker of the misgivings of the aircraft men that these civilians would not turn out the right kind of article. It was the old story, and it found us very unresponsive. As a matter of fact, the chief impediment in the way of any large-scale supply had been the enormous multiplicity of type resulting from too much expert zeal unchecked by practical considerations. Continual modifications and improvements were unavoidable in a new arm of this kind, and experiment and research on a generous scale were required, but the figures that were supplied to me by Lord Weir early in January revealed, perhaps, more strikingly, than anything else could have done, what the thing was that, apart from divided responsibility for production, had stood in the way of large-scale supply.

GENERAL HEAD QUARTERS  
BRITISH ARMIES IN FRANCE.

1st May, 1917

I have written officially to the Army Council with reference to the good behaviour of our Artillery equipment and ammunition during the recent operations

The whole Army appreciates the great efforts which are being made by the workers to supply it with all its needs not only in guns and ammunition but also in rifles and other munitions, aircraft, tanks, transport &c , and I know ~~we~~ can rely on all workers at home to maintain these efforts so that the Army may lack nothing during the further fighting which lies ahead

Right Hon Dr C. Addison,  
Ministry of Munitions of War  
Whitehall Place,  
LONDON, S W.

At the end of December, 1916, it appeared that there were 9,483 aeroplanes on order for the Army and Navy together, and that, after allowing for overlapping of types between the services, there were no less than 76 different kinds being made, and along with them there were some 20,000 engines on order of 57 different types.

There were three circumstances that enabled us to cut our way through the tangle of overlapping orders and complexity in design that beset this subject, and they were, the appointment of Lord Cowdray as President of the Air Board, the action of Carson as First Lord of the Admiralty, and the men who had charge of the Aircraft Production Department. The following diary note may be of interest as relating to the appointment of Cowdray—

*Saturday, January 6, 1917*

"In the afternoon L G sent for me, and, after talking various matters over connected with the Liberal Party, etc, he told me about some dreadful tales that had been spread about as to the disaster which would occur through the transfer to us of aeroplanes. I told him of our meeting on Friday afternoon, December 29, with Carson, Stanley, Duckham and others, and said I thought it had resulted in a good working arrangement being fixed up, and that another meeting that morning at the Ministry had advanced matters. He decided to send for General Brancker. I also sent for Duckham. When Brancker arrived, he was in a very hopeful mood, and said that after the conference this morning he thought a satisfactory scheme was being arranged, and in fact made light of the dreadful tales which L G. had heard.

"I also had a discussion with L G. as to the Air Board Presidency, and I can claim the sole right of parentage in the suggestion of Cowdray which L G immediately seized on as being a good one. Anyhow, I was told that he had him hauled out of his bath that night to appoint him Air Minister."

The reason for suggesting Cowdray for the Air Board was because it seemed to us that what was wanted at that time was not a specialist, but someone who would take a big view as to the organisation of a department. In Moir and Pearson we had had good samples of the kind of men this great firm had on their directorate, and from what I knew of Cowdray I thought that if we could get him, he was the man required. Anyhow, it did not take him many minutes to decide, although the telephone message from Downing Street was told him in his bath. Like other big men of business in those days, the State had only to say that it wanted him. He was in harness the next morning, and no one could have been more helpful than he was in helping to steer a straight course through the cross-currents of prejudices and difficulties, personal and technical, that had arisen during the long aircraft controversy. Cowdray had no prejudices, he saw at once the desirability of being able to devote himself and his staff to the organisation,

training and equipment of this new and highly specialised force, without becoming involved in the innumerable difficulties attaching to the organisation of a supply service that would find giant competitors already in possession of much of the field. Generals Henderson and Brancker, as the Chiefs of the Air Service, had a difficult task in helping us to get some greater measure of simplification in types, both of aeroplanes and engines.

On the Admiralty side Carson played somewhat the same part as Cowdray. Admiral Jellicoe was obviously voicing the opinions of some of his own men in making a great fight against the Ministry becoming responsible for the supply of seaplanes. If the supply of seaplanes at that time had been generous and adequate, there might, perhaps, have been something in it, but seeing that they were grotesquely short of requirements, there was no justification whatever for it apart from the fact that the distinctions as to planes and engines were obviously unsubstantial.

Carson took the same line as he did on mines, to this effect "If we are going to do this thing, let's do it heartily. If one body of men are going to be responsible for the output of these machines, let them be responsible and do not let us have anybody else cutting into them from the side." The last objection to the transfer was on the ground that if a naval officer were transferred to the Supply Department he would lose status. I am afraid I pointed out to Jellicoe with some asperity that if we could have several Major-Generals from the Army attached to us without their losing status, why couldn't we have a Commander from the Navy? If it was possible to lend an Admiral to the Greek Fleet without his losing status, surely it was possible to send an officer across the street to another British department without any degradation. There is no disguising the fact that there was a fairly sharp passage of arms as to this completion of the transfer of aircraft production, but Carson was as clear and firm as he always was in matters of this sort. Here, again, however, when a thing was done, it was done; and the working between us after the decision was taken was as hearty and harmonious as it could be.

The third and most important group of persons concerned in the successful inauguration of aircraft output on big lines were the men in control of supply. I had referred the matter to the Ministry's Advisory Committee, and they thrashed out a scheme of organisation. On the Committee's advice I asked Mr. William Weir (Lord Weir) to come down from Glasgow to take charge of aircraft supply. Up to that time he had been our Director of Munition Supply



in Scotland, and we had seen a good deal of his cheery and vigorous personality in the Office. He had felt the labour troubles on the Clyde very much—and who had not?—and I think he was delighted at the opportunity that this new work afforded, for he rejoiced in a task that involved workshop organisation and technical knowledge.

Stanley (Lord Ashfield), who had previously had charge of motor-engine supply, had left us to go to the Board of Trade, and Mr Percy Martin, the Managing Director of the B S A, came in to take complete charge of the production of internal-combustion engines of all types, whether they were wanted for aeroplanes, motors, tractors or for any other purpose. Weir had great knowledge, and it was largely through his friendly co-operation with the specialists of the Air Service that we soon came to have a reduction in the number of types required, together with a progressive improvement of those types themselves. It involved much shuffling of orders and of work, for the complications of odds and ends of orders as they existed at first were most bewildering. It was not very long before Weir and Martin had got the different expert engine-producers of the country working in groups, more or less on the principle of, one shop one type of engine.

I myself left the Ministry of Munitions in July, 1917, and have no special first-hand knowledge of what happened after that time. In 1918 Weir ceased to be Controller of Aircraft Production and became Secretary of State for the Air Force; but long before July, 1917, the initial difficulties had been overcome, and we were well on the way to big production. The average monthly output of aeroplanes for the five months ending February 28, 1917, had been 670 per month, against a requirement of 1443, but by midsummer, 1917, Weir was able to undertake an output much in excess of the former requirement. The seaplane figures, although small, grew in similar proportions, for the five months up to the end of February they had only averaged 19; but the output had risen to 53 for May, and afterwards steadily approached requirements.

The troubles in aeroplane production were much shorter on the whole than with many other types of munitions, even including machine-guns, and the shops rapidly became so organised and arranged, and the work was so well directed, that increased output and improvement of type could be confidently counted on.

The development of aircraft necessarily brought other manufacturing problems along with it. It added another to the already



THE RT HON LORD WILBERFORCE



SIR ARTHUR M. DUCKHAM K.C.



heavy demands for machine-guns, although by that time, thanks to Moir's arrangements planned in the autumn of 1915, there was no special difficulty in meeting it.

Perhaps the most difficult and technical of all the associated tasks was the demand for optical and scientific instruments. The artillery programme and many other branches of our work had led to the creation of a strong section under Mr A. S. Esselmont, for the supply of these things, with Mr F. J. Cheshire in charge of scientific and technical matters, but as the photographic work of the scouts and observers developed, and as the machinery for aeroplane reports and communications became more and more elaborate, the section was compelled to undertake the supply of all sorts of instruments for which the demand had previously been small or in some cases non-existent.

I do not know that the war provided many better instances of what British industry can do if the task is put to it. It was an ideal example of the co-operation between scientific research and manufacture. It transpired that, although in many cases we had not the formulæ to begin with, we could, through this ideal working alliance, discover the formulæ and make in this country any form of glass or scientific instruments of at least as good a quality as any that we had been accustomed to import from German or Austrian sources. The reasons for this success are to be found, first, in the necessity of the case, but more still because a sort of central clearing-house of need was established along with an organisation that enabled us to place at the disposal of the manufacturers a wealth of knowledge and research facilities that were quite beyond the capacity of many individual firms to provide for themselves. We proved also that the thing could be done without any man losing hold of the rights and benefits arising out of his own enterprise or ingenuity. How far the case is now being met by the organisations set up by the Council of Scientific and Industrial Research, I do not know, but no better illustration could be afforded of the immense possible usefulness of an institution that has no particular axe of its own to grind and can serve the interests of industry generally.

#### RAILWAY MATERIAL .

Reference has already been made to the task allotted to Moir in 1916 as the supplier of transport material for the armies of France and elsewhere, but if the student of the future should want an illustration of the advantages and drawbacks attaching to a riot of individuality, he could not do better than obtain the papers relating to this subject. Moir could not hope to deliver all that

was wanted by new production alone, and he had to obtain what contributions he could in locomotives, rails, trucks, etc., from the stocks existing at home or in the Dominions. A limited number of types were required in France, but great quantities of the types selected, and it was rather like looking for a needle in a haystack to search about amongst the bewildering variety of existing patterns to find contributions that would serve the purpose. The varieties in gauges, weights and types of rails were bad enough, but when it came to railway trucks the case was worse still. We had to obtain a great number from amongst those owned privately as well as from those owned by the railway companies. In December, 1916, I had a meeting with the private railway-truck owners at which they undertook to co-operate with us in trying to find us 10,000 out of their stocks by March, and another 10,000 later. A variety in the tonnage of trucks is no doubt necessary in different trades, but the medley that was brought before us in the returns from at home and abroad was the despair, not so much of amateurs like myself, but of the experts in transport who had charge of the business. Trucks used for the same purposes in different places were of all varieties of tonnage—some could be used on one type of siding, and others could not, some would pass certain platforms, and others would not, some opened on one side and some on the other, some at one end, some at the other. It was impossible to make the transport arrangements of the Army to suit all this medley of patterns if anything like promptitude in loading and unloading was to be achieved. In striving to extract the agreed 10,000 trucks, economies in use had necessarily to be sought for, and the revelations of waste in this direction were even worse than in the needless varieties of pattern. I remember, for example, on one occasion a great saving was effected in the use and mileage of trucks concerned with the carriage of oil supplies. It had been the custom to send certain supplies from Western English ports to trawlers and other light vessels used by the Navy in the north-east of Scotland, whilst supplies of identical petroleum from the Scottish shale-oil fields were sent regularly to the English Midlands. Each set of trucks was accustomed to do one of these journeys of hundreds of miles empty. It was a fairly obvious economy to send supplies as far as possible from the Western ports to the Midlands and from the Scottish shale-oil fields to Aberdeen and elsewhere. I must resist the temptation of entering into a discussion of the case for or against the State control of railways, either directly or through a group system, but anything more utterly wasteful and extravagant than the system which Moir's undertakings compelled him to reveal it would be impossible to imagine.

## FINANCE AND STORES

There were two other subjects that gave us much concern at Munitions in the early days of 1917 to which I must devote a few paragraphs, although in any form they are somewhat dry and difficult to present in an interesting way. Reference to finance also compels me to remember that an influential section of the Press made it its business for a long time to describe me as a "super-squander maniac," although it can, I think, fairly be claimed that I was more responsible than any other man for the introduction and application of the Costing System which saved us so many millions during the war. It is necessary, therefore, to be on one's guard in describing the arrangements introduced early in 1917 lest they should be presented in a form that might seem to suggest an attempt at self-justification.

Having administered this necessary caution, some glance may be taken at the important work on financial matters done at that time by different groups of men. The Ministry of Munitions had become not only the biggest purchasing organisation in the world, but also the largest selling and distributing agency. As the pressure for increased production became more and more acute, we were compelled to depart from the original method of purchasing completed goods from contractors, and encourage the production of different parts by smaller contractors. This necessitated the assembly at different centres of metals, materials and other stores that were distributed therefrom, or through contractors' stores, to the different manufacturers. Coincidentally with this there had grown up a very large business in the transfer of partly finished goods from one contractor to another. The old system of centralising stores and accounting at Woolwich was insufficient from the start, and during 1915 and 1916 storehouses, inspection centres and warehouses were rented, adapted or rushed up throughout the country at break-neck speed. The management and checking of this immense business, involving millions of transactions each week, became an ever more difficult and complicated task. Goods supplied by us necessarily affected the amounts paid to contractors on account and introduced a series of transactions dependent upon and related to, not only the orders given, but the operations of the distributing and selling departments. The system of book-keeping and store-keeping had been subject to a number of modifications and improvements during 1916, but I was impressed with the fact that, now that the Ministry was a great going-concern, we ought if possible to overtake the arrears that had accumulated in the early scrambles and have a system in the future which would

secure a more rapid clearance of accounts I therefore remitted the whole subject for thorough investigation and advice to Macdougall Duckham's valuable Advisory Committee,<sup>1</sup> and on their advice, and on what arose out of it, a number of important systems were established, some of which ought to apply in peace-time to those Government departments that have extensive purchasing responsibilities. At the head of it all a small standing committee of bankers and financial experts was established to have constant oversight of the financial relations of the Ministry. This body consisted of the following gentlemen—

Sir Clarendon Hyde (Chairman), and  
Sir Herbert Hambling, of Barclays Bank,

with the assistance of Mr David H Allan, the well-known chartered accountant, and of Mr. F. Redfern, junior. Sir John Mann, as Assistant Financial Secretary, and Sir Owen H Smith, who dealt with Controlled Establishments and Munitions Profits, were attached to their committee. This body dealt, for example, with the relations between the Ministry and the Inland Revenue and the Treasury and with the numerous questions that arose out of the Munitions Levy and the Excess Profits Duty, the financial side of the iron-ore scheme, the extent to which we could profitably investigate costs of production, the arrangements for the central buying of stores, the allowances on capital for increased output, for machinery depreciation and kindred topics.

Secondly, working in the Ministry itself, a Finance Board was set up that dealt with strictly domestic finance questions. This body consisted at that time of—

Sir John Mann (Chairman)  
Mr O T Barrow, C S I  
Sir S Dannreuther, C B  
Sir P G. Henriques  
Mr M Webster Jenkinson  
Sir H G. Judd  
Sir F Palmer, C.I E  
Sir J. Wormald.

<sup>1</sup> The Advisory Committee at that time was constituted as follows—

Sir Arthur M Duckham, K C B (Chairman)  
Sir J Stevenson, Bart (Vice-Chairman)  
Sir Frederick Black, K C B  
Sir Stephenson Kent, K C B  
Sir Samuel H. Lever, K C B  
Sir Ernest Moir, Bart  
Sir Alexander Roger.



SIR GILBERT F. GARNSEY



MR. J. H. GUX



COL. I. C. P. MILMAN, C.M.G.



MR. S. I. D. I.





This group of heads of departments—to take the topics at random that came up at one of their meetings—dealt with lead and copper prices, the form of contracts, the contracts for the supply of railway materials and their cost, the purchases of cement including a careful examination of what would give a fair profit to the associated cement companies as revealed by the report of an independent accountant who had gone into the matter on our behalf and on behalf of the War Office, the mode in which payments should be made to contractors erecting factories, and a number of other topics that different sections of the Ministry brought up as important in the course of the weekly work

On the Store and Accounting side, complete control of our innumerable stores, bonds, warehouses and the rest was made over to Ross Skinner, with Major the Honourable L H Cripps as his Chief Assistant, and it was their task to establish a system of store-keeping, book-keeping and accounts throughout them all which would, so far as possible, keep us clear for the future

Two other men, namely, Sir Gilbert Garnsey (of Messrs Price, Waterhouse & Co), and Mr J H Guy (formerly with the American branch of the same firm), were given a distasteful and prodigious task, full of dull and unattractive routine, but, as the event proved, worth many tens of millions to the British Treasury Their business was to clear up all the arrears in accounts that had accumulated, whether by omission, lack of double entry or otherwise, in the accounts of our buying and selling transactions from the autumn of 1915 Van-loads of papers and a considerable staff of the inevitable and undeservedly abused clerks were essential for their purpose, and subsequently they occupied the ground floor of the National Gallery for the conduct of their operations I think that afterwards this enterprise, which yielded so handsome a return as the result of tracing goods in transactions that had already amounted to some £700,000,000, was subsequently distinguished by a pat on the back in the records of the Public Accounts Committee somewhere, and I know that the Controller and Auditor-General commended the enterprise, but I am quite sure it never attracted as much public attention as did the employment of three extra charwomen in the Ministry of Health in 1920.

It was no one's fault that in the helter-skelter rush of meeting war requirements a mass of accounts and memoranda had accumulated which there had not been time to check and compare. Thousands of stores, from the raw material to the finished article, had been supplied to this firm or that in the endeavour to scrape together as many completed rounds of ammunition as possible by a given date and the accounts had not been cleared

and compared at a corresponding rate, so that the credit due to us for goods supplied was not set against the debts contracted. A great clearing-up was inevitable. We had at our command the very best men in the accounting world, and I do not think that anyone of them ever refused to come in and help, and scarcely any of them would take payment. They slaved away in back rooms, amongst heaps of papers, for months and months, and the only thanks that most of them ever got—save that some of us personally did our best to thank them—was to read in the newspapers the noxious piffle that men like Banbury parade before the House of Commons in the name of economy.

## CHAPTER VIII

### HELP FROM THE DOMINIONS, AND THE EMPIRE'S UNDEVELOPED RESOURCES

The Canadian Shell Committee—General Hughes—Mission of Hichens and Brand—The Imperial Munitions Board—Sir W J Flavell—Members of the Board—A Great Achievement—Australian Contributions—Mr Hughes—Immense Resources insufficiently Used—The Author's Proposals, April, 1917—The Imperial Conference—The Imperial Mineral Resources Bureau—Undeveloped Resources at Home—Lionel Phillips—Need of Effective Mines Department—The State and Private Enterprise—Phillips's Recommendations—The Opinion of his Advisory Committee—The Opportunity still Present

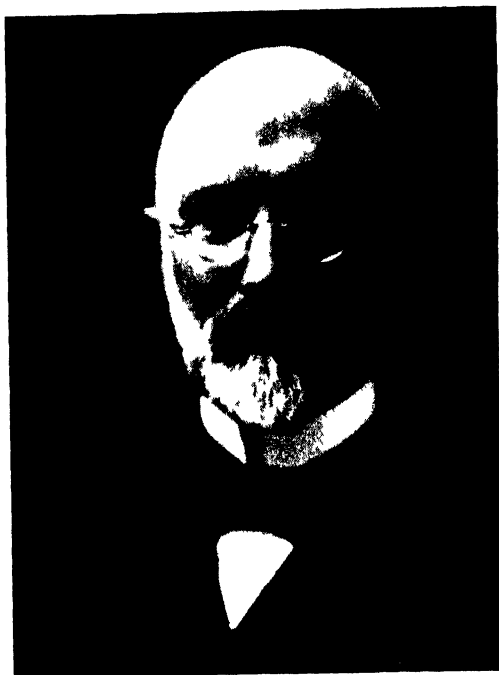
**B**EFORE leaving the class of topic dealt with in the preceding chapter and turning to political matters, something should be said of the magnificent contributions to munitions supplies rendered by the Dominion of Canada. The difficulties that we experienced in obtaining assistance of a similar character from Australia and from other Dominions and Dependencies, were not simply of a geographical nature, they revealed defects in the imperial policy that has hitherto been pursued that were of a singularly humiliating kind. It is appropriate, therefore, to incorporate with this chapter some outline of the efforts we made to compensate for those deficiencies and of the men who participated in them.

The novel developments of the civilian side of the war in Canada, as at home, brought out a number of men who suddenly found themselves called upon to bear new and vast responsibilities. They were equal to the task, they discharged it with honour and credit, and were glad when the end came to be allowed to resume the ways of quiet work. Just for a short time they emerged into public notice out of that vast throng of busy people who make up the British Empire. They are there still. They are not to be bought with money. They gave us living proof that service in a worthy cause is the only price that is sufficient for them.

The story of the effort to meet the war demands was similar in Canada to what it was at home, and a brief sketch should be provided of what developed from a small beginning to a many-sided enterprise with ramifications and agencies all over the Dominion. Towards the end of 1914, Lieut -General Sir Sam

Hughes, then Canadian Minister of Militia, obtained the sanction of Kitchener to try and produce 18-pounder shells, although except for the production of rifles and their ammunition, there was no part of the Dominion in which munitions were produced. But Canada was already a great steel-producer, and to the very extent of its substantial contributions of that much-clamoured-for material Hughes deserves high credit for his conception of the possibility of building up in Canada an organisation which would enable them to supply us with munitions, in addition to men, food and raw material. He formed a body, which was known as the Shell Committee, and it carried on until November, 1915. It had its early struggles and a multitude of critics just as we had at home, but by the summer of 1915, when the British Ministry of Munitions came into existence, it had overcome many of its early difficulties. But it was not quite the right kind of organisation to enlist the full measure of Canadian productive capacity. On July 12, Sir George Perley, the Canadian High Commissioner, entertained some of us at dinner to meet Sir Robert Borden and Hughes. Borden in his firm quiet way and Hughes with Celtic fervour were emphatic that there were still vast unexplored possibilities, and that wider powers were required. In October, we sent Sir Frederick Donaldson (who had previously been Head of Woolwich) to Canada and the United States to explore the possibilities of big gun and heavy shell manufacture. Rhondda also, whom Lloyd George had sent over to the United States, extended his journey to Canada to report on the business side of what was required. He could not, however, spare sufficient time from his other mission, and we appointed two men—Mr Lionel Hitchens (Chairman of Cammell Laird & Company), and the Hon R H Brand—to be our Special Commissioners in Canada. They furnished, I think, a pattern of how such a mission should be conducted. They worked quickly and smoothly, and their recommendations displayed extraordinarily accurate foresight of the best way of meeting the future necessities. Hitchens had responsibility for the contracting and manufacturing side, and Brand for finance. They were, I believe, old friends, anyhow, they designed a scheme which, with no substantial modifications, proved to be capable of almost indefinite extension. On November 24, Hitchens cabled his final recommendations, and within a week from that date, with the full consent of the Home Government, of the Governor-General and the Canadian Ministry, the Shell Committee was wound up and relieved from all liability, and the Imperial Munitions Board came into being.

I am not going to examine in detail all the difficulties that had



Th. V. Velt

SH JOSEPH LAMBERT B7



SIR CHARLES GORDON



THE HON R H BRAND



to be surmounted in order to secure a scheme that was welcomed as this was from one end of the Dominion to the other. As a piece of diplomacy it was first-class, but, as a business machine, that which Hichens and Brand designed was admirable. The real issue was as to whether the Canadian Government should itself undertake direct responsibility and constitute a Canadian Ministry of Munitions as we had done at home, or whether the British Ministry should establish an organisation in Canada directly responsible to itself. The Canadian Government preferred the latter plan, and its success depended upon getting the right personnel, for it was to be, in effect, a branch of the Home Government charged to work with the Canadian Government and with Canadian producers. With such a far-distant agency and with such wide powers no amount of paper schemes, however perfect, could ensure success. It could only depend upon getting the right men in charge, and particularly upon the chief man.

I do not know how the suggestion first arose that Sir Joseph Flavelle, Bart (then Mr J W Flavelle) should be the Chairman, it came to us from Hichens, but I believe that both Borden and the Governor-General had a hand in it. Whoever deserves the credit, deserves a lot, for its consequences were vast and valuable. Flavelle is much more than a great business man—although many-sided at that—he proved to be a diplomatist and a leader of men, and it is worth while saying a little as to who he was. In his first cable, Hichens told us that he was “a leading man of business in Toronto, of high standing and proved capacity.” His appointment was very akin to many that we made at home. He had had nothing to do with the production of munitions, but he could pick men and had the right conception of successful organisation. For twenty-seven years he had been General Manager and President of the William Davies Bacon Company, a concern that is, I believe, one of the largest of its kind in the Empire. He had joined with this the Directorship of the Canadian Bank of Commerce, on the Board of which he had served for twenty-four years, and the National Trust Company had similarly been developed under his Presidency. He had also found time to act as Chairman of a Royal Commission to report upon a scheme of organisation for the Toronto University. I was told that before the war he had declined the offer of a knighthood, and I know that he only accepted the honour of baronetcy later on because it would have made it impossible for any of the members of the Board to accept honours if the chairman had refused. He was fortunate enough to see his work through to the very end, and I have before me as I write a copy of the very last minute of the Imperial Munitions Board, dated August 17,



1921, in which, having wound up all outstanding commitments, he and his colleagues sent in their final report and relinquished their office. This modest and conspicuously able man was appointed by Hichens, on our authority, as Chairman of the Imperial Munitions Board of Canada on December 1, 1915

It passed as an item in the day's work and occupied a line in my notes. So it often is. We haggle and struggle for days or weeks over issues which in the end lead sometimes to results of little consequence, and in an hour or less, without fuss or without special importance being attached to it, some decision is made or course of action decided upon that is momentous in its results. The successful Minister is he whose decisions are mainly wise and who distinguishes the vital from the immaterial. He sometimes is the worst and the most mischievous who havers about and decides nothing. Whatever may have been the mistakes of those of us who survived the ordeal of the war, its daily stresses and urgencies soon made short work of the invertebrate class.

The output of shell from Canada in 1915 had almost exclusively been the result of the work of Hughes and the Shell Committee, and it totalled 5,250,000 shell cases (mostly 18-pounders) at a time when shells were very scarce—and the great after-developments should not blind us to this precious contribution. The task before the Imperial Munitions Board was to develop production over a much wider field, and, notwithstanding their lack of trained engineering personnel, it was vastly simpler than that which confronted us at home. They had not the same entangling network of labour difficulties, of traditions, of trade and workshop agreements that had either to be set aside or modified, nor had they to confront the innumerable other questions that necessarily arose in a complex industrial manufacturing country like our own. They had a clear field, but they had a prodigious handicap in the shortage of men who had had experience in the class of manufactures that they now set themselves to produce. On the other hand, they had the advantage of learning from our experience at home as to the best way of mobilising the small producer, but their geographical and transport problems were altogether greater than our own. Four of the members of the Board gave their whole time to the work. They were Flavelle, Sir Charles Gordon (previously Vice-President of the Bank of Montreal), who was the Deputy-Chairman, Mr F. Perry, who was the Financial Member of the Board, and Colonel David Carnegie, who had previously worked with the Shell Committee, as technical adviser. Very shortly afterwards, also, Mr E. Fitzgerald was lent by the Canadian-Pacific Railway, and became the Head of the

Contracts and Purchasing Departments and Flavelle's assistant. General Alexander Bertram, who had previously been a member of the Shell Committee, became Vice-Chairman of the Board, and its three other members were Mr. G. Dawson, Mr. J. A. Vaillancourt, and Mr E R Wood.

These men set to work much in the same way as we had done at home. Fitzgerald's position was akin to that of Sir Frederick Black at home, and Colonel Carnegie to that of General Bingham. As production grew they had the same kind of difficulty with inspection that we had, and in 1916 we sent out Brigadier-General W. E. Edwards to organise and speed up inspection. With Lieut-Colonel Ogilvie, as his Second in Command, he was just as successful as Sothorn Holland and Ross Skinner at home.

In cost questions and finance they had the unspeakable advantage of our own successful system, but they had to supervise prices from all sorts of raw materials in mine or forest to the finished article in workshops throughout that vast territory. Mr George Edwards, the senior partner of a leading firm of accountants, became the Head of the Finance and Accounting Branch. His duties were akin to those of Hardman Lever at home, but I never ceased to envy Edwards on account of the much cleaner start he had. He managed to organise a complete accounting system accompanied by a continuous audit, and therefore never had to face the arrears of stores accounting which Guy and Garnsey had to take over here in 1917, when a million articles were coming into our store accounts every day. But when all this is allowed for, the result of the financial working of the Imperial Munitions Board stands out as one of the cleanest bits of work that I know of in any War Department.

The general scheme of the Board was to take a fixed price, as already explained, and we allowed them three-quarters of 1 per cent. for their administrative charges and  $2\frac{1}{2}$  per cent. for meeting the cost of inspection. The actual cost, however, of the inspection proved to be only 2 1 per cent., and the administrative expenses of the Board were only half of 1 per cent. The system of costs adopted enabled the Board to save 19,000,000 dollars out of the estimates on the fixed basis. This surplus covered all their obligations for compensation on the cancellation of contracts at the end of the war, and sufficed to meet the losses through the disposal of raw material and stocks on hand. The result was that, in sending in his final report, Flavelle was able to say that they had closed up all their obligations and returned a surplus of 5,000,000 dollars to the Treasury. It was the result of an efficient system of finance and costing.

After Flavelle's Board had overcome their initial difficulties,

they went ahead as quickly as we did at home , but in 1917 we had to put the brake on because, as already told, we could not ship their products owing to the shortage of shipping The 5,000,000 "shells" of 1915 became 20,000,000 in the following year, and would have shown a similar increase in 1917 could we have taken them

About the middle of 1916, notwithstanding the usual dismal prognostications of the experts, the complications of fuse manufacture had been overcome, and, thanks to the enterprise of Gordon, a special factory in Montreal was turning them out at the rate of 30,000 a day by the middle of 1917 This factory was rather exceptional in the Canadian scheme, for they usually worked through the private manufacturers on prices that had been fixed They did, however, establish two large explosive factories at Trenton and Renfrew, and that at Trenton was, I believe, one of the largest of its kind in the world Indeed, the table that is given in the Appendix <sup>1</sup> of the ammunition supplies that Canada gave us shows the extent to which they helped

Another exception to the general contracting plan of the Board was the establishment of an aeroplane factory in Toronto, under the direction of Sir Frank Baillie It was used solely for the production of training aeroplanes They built this factory in 2½ months and turned out nearly 3,000 training aeroplanes. The Air Service recruits in Canada, under Brigadier-General C G Hoare, were trained on the aeroplanes made in this factory, and they trained over 3,000 pilots and over 7,000 men for the Mechanical Section of the Air Force.

In connection with this aeroplane work, Canada provided us with a further excellent example of what wholesale organisation could do At one time there was a shortage in the provision of spruce for the manufacture of aeroplanes, and the Munitions Board established a Spruce Production Department, under Major Austin Taylor Up to June, when the operations began, the shipments of spruce were 200,000 feet , in the September following, they were 5,000,000 feet , and, at the time of the Armistice, they had 120,000,000 feet of logs in sight suitable for conversion into aeroplane material. Of course, such results depend upon expenditure Nevertheless, the cost per thousand feet was very substantially less than the similar spruce production in the United States

The relationships of the Ministry at home with the Board in Canada became more and more intimate , and, finally, Brand was appointed a member of the Canadian Board, with his office in the Ministry in London, and was our go-between in all matters.

After the entry of America into the war, the resources of the

<sup>1</sup> See Appendix, No 1.

Imperial Munitions Board were used by the American Ordnance Department, and Brand and Gordon were detached from their previous work for the Canadian Board and appointed our direct representatives in Washington, and Mr Holt Gurney and Mr. Lloyd Harris took charge of the executive work. Hitchens, Brand, Perry and Gordon were the men I, personally, saw the most of. They were men of the type that Rhondda had in mind when he insisted on being supplied with a cultured, highly trained man to go with him as his assistant to America. You might have taken any of these gentlemen for a successful diplomatist. Quiet spoken, penetrating efficiency was the hall-mark of all four of them. They revered Flavelle. And if the men he had gathered around him in Ottawa were of the same type as these, there is no wonder that the proceedings of the Imperial Munitions Board of Canada stand out as they do.

The facts of geography and the difficulties of shipping prevented the Dominions in the Antarctic equipping themselves in the same way as Canada, just as they prohibited us making a full use of their great accumulations of food in our time of greatest need. But the war revealed the potential wealth of these great countries in striking fashion, and also how far we were from being able to make a full use of them even if the shipping difficulty had not been present.

What was true of these Dominions was equally true of the resources of British possessions throughout the world. Happily some of the minerals of which we stood in need could be carried in a concentrated form, and Australia was a valuable supplier of copper, lead, zinc and zinc concentrates.

During the summer of 1916, Runciman, Harcourt, Bonar Law, myself and others had long discussions with Mr. Hughes, the Australian Premier, and at the end of June an arrangement was entered into—after Lever and Mann had gone carefully into the finance—for the importation of a large amount of zinc concentrates for a term of years, and for the setting up of refineries and other associated plant in this country. In the early stages of these negotiations I think Hughes excelled himself as a pushful commercial traveller, for he was anxious, not only that we should take his supplies, but impose a preference as well in their favour. The price arranged for seemed moderate enough in the war, but, with the fall in prices after 1920, the original bargain proved to be an expensive one. Hughes always seemed to me to be anxious to have his cake and at the same time to have it available for eating. He was a protagonist, notwithstanding his ardent imperialism, of a very exclusive policy. I could never understand, now was I ever able to elicit

from him—although we had a good many conversations on the subject—any explanation as to how he expected Australian resources to be developed under his exclusive policy. He always tried to drive hard bargains with us, and his attitude compared unfavourably with that of his Canadian colleagues, who co-operated heartily in an endeavour to keep prices down. This surely was a sounder line to take, for, after all, economical production is the best guarantee for continued prosperity.

#### ORIGIN OF THE IMPERIAL MINERAL RESOURCES BUREAU

Notwithstanding all this, the war revealed grave defects in the policy that had been pursued in the development of our resources, although time after time they have been pointed out. We have been satisfied to secure peace and good order, personal liberty and security and that fair and just administration which is at once the characteristic and the sheet-anchor of the British Empire, but we have been willing to stop short at that. We have worshipped at the shrine of private enterprise, even when there was no private enterprise. It is the national commercial deity, and we have made of it an idol. Just as the making of a railway or the provision of a water supply does not interfere with the active conduct of private enterprise, so the war revealed in many directions that we lacked much-needed supplies that might have been forthcoming from Empire sources if such common services as transport, for example, had been provided.

The lack of an active regard to the possibilities of Imperial development on the one side, coupled with the activities of the great German Metal Corporation and the enterprise of the great American combines on the other, left us in a perilous and very dependent position in regard to some minerals.

Every body of men, so far as I know, who have examined these questions in detail and with a wide and unprejudiced outlook, have come to the same conclusion. The Royal Commission on the natural resources of the British Dominions, appointed in 1912, under Lord D'Abernon's chairmanship, began to report before the war, and the recommendations of its final report in 1917 were mainly based upon a pre-war examination of the case. They recommended the formation of an Imperial Development Board very much akin to what the experiences of the war induced some others of us to recommend. The subject was so continually in front of us at Munitions that, early in 1917, I began to get together some collected records of the difficulties we had found and of the devices our advisers had suggested for overcoming them. At first they were based upon the consideration of augmenting our supplies

for war purposes, but with the coming of the Imperial Conference of 1917 a wider opportunity presented itself. Accordingly I circulated to the Cabinet a memorandum containing specific proposals for grappling with the subject, and the following note of March 5, 1917, records its reception—

“ A good part of the time this morning was taken up at the War Cabinet. There was much munition business as well as my proposal for setting up a body of men to make reports on mineral resources in the U K and for proposing to the Colonial Premiers that an Imperial Mines Bureau should be created. I am glad to say that the proposals went through without any difficulty, so that I hope now we shall get a real move on ”

Lord Long, who, as Colonial Secretary, presided over the Imperial Conference, managed to get the subject brought forward for informal discussion early in April, and it met with a gratifying reception. It was agreed to take it on an early day. Ashfield from the Board of Trade and Llewellyn Smith joined hands with us in pressing the subject upon the attention of the Premiers.

My memorandum is too long to be incorporated in the narrative, and is printed in the Appendix <sup>1</sup>. Reference to it will show that it comprehended a somewhat ambitious project starting with the formation of a standing Commission whose business it would be to obtain and sift information, and beyond this an active developing body which I described as a British Metal Corporation. It went a good deal beyond the Imperial Development Board recommended by the Royal Commission, in that it provided, at the beginning, a State-financed body which, either through private or other corporations, would actively promote the development of Imperial mineral resources.

The Non-Ferrous Metals Committee of the Board of Trade <sup>2</sup> made similar recommendations, but contemplated for the Corporation that the capital would be privately subscribed. Those of us, however, who had been at work at the Ministry of Munitions were not afraid of the instalment of socialistic enterprise that I put forward as the result of our own experience. There was no difference between any of us as to the necessity of the Commission or Bureau, and Ashfield and I put down a joint resolution on the Agenda of the Imperial Conference. It was considered on April 23, and was in the following terms—

“ That it is desirable to establish in London an Imperial Mineral Resources Bureau, upon which should be represented Great Britain, the Dominions, India, and other parts of the Empire

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<sup>1</sup> Appendix, No 2

<sup>2</sup> For the membership of this Committee, see Appendix, No 3

“ The Bureau should be charged with the duties of collection of information from the appropriate departments of the Governments concerned and other sources regarding the mineral resources and the metal requirements of the Empire, and of advising from time to time what action, if any, may appear desirable to enable such resources to be developed so as to meet the metal requirements of the Empire ”

The Imperial Conference adopted our recommendation and added to it the following—

“ That the Conference recommends that His Majesty's Government should, while having due regard to existing institutions, take immediate action for the purpose of establishing such a Bureau, and should as soon as possible submit a scheme for the consideration of the other Governments summoned to the Conference ”

The work of the Conference in this matter was characteristic both of the men and of the proceedings, and a word, perhaps, may be said on the subject. The Premiers themselves sat regularly with the War Cabinet as the Imperial War Cabinet, otherwise, as the Imperial Conference, they dealt with a host of topics that the war forced into prominence as of Imperial concern. Smuts was amongst those present, and I do not think that Lloyd George ever did a wiser thing than to urge him from that time onwards to place himself at our disposal. Botha was still alive, so that Smuts could be spared, but the other Premiers, with war emergencies of their own similar to ours, could not remain for long. Massey and Ward, from New Zealand, were always ready to go ahead, but Borden and Perley, representing Canada, were more critical, although not a bit less willing and anxious to help. Canadian statesmen always—and very rightly—have in their mind a consideration that is not so immediately before the representatives of South Africa, Australia and New Zealand,—it is how any subject may affect their relations with their great neighbour—and it was this, I think, that all the time imparted to their examination of proposals a caution which did not press in the same way upon the others. In this mineral business, also, Morris, of Newfoundland, was a strong supporter right through, for, small country as it is, in the iron-ore deposits of Belle Isle there are some of the richest mineral resources of the British Empire.

The resolution that Ashfield and I also put down for the establishment of a body whose business it would be to foster the actual development of the resources was in the following terms—

“ That, in order to make effective use of the information and advice provided by the foregoing organisation, it is desirable that an organisation in the form of, say, a British Empire Corporation should be set up in which, if possible, the self-governing Dominions should co-operate with the United Kingdom and which, being provided with sufficient credit for the purpose,

should, whether by the formation of subsidiary companies or otherwise, seek to secure the sufficient development of the Empire's mineral resources 'as the requirements or possibilities may indicate to be desirable "

Unfortunately, in the pressure of other matters, particularly food supplies, the consideration of this enormously important subject was postponed from time to time, and in the autumn of 1917 a Metal Corporation on private lines, as designed by the Non-Ferrous Metals Committee, began to be discussed. I do not believe myself that any private metal corporation can ever have the authority or power necessary to do what is required, and later on, as will appear, our views received substantial support from the department that worked under Sir Lionel Phillips at home. A precious opportunity was lost, for I am convinced that something of the kind will have to be undertaken if we are to make a proper use of the treasures with which nature has endowed the British Possessions <sup>1</sup>

As already stated, however, I was authorised as Minister of Munitions to take steps to give effect to the recommendation of the Conference that an Imperial Mineral Resources Bureau should be established, and afterwards, when I became Minister of Reconstruction, this, with other kindred duties, was attached to me as holder of that Office. The first thing to do was to secure agreement with representatives of the Dominions as to how this resolution should be transformed into a workable scheme. On this matter I called in the aid, as I had done so many times before, of that many-sided man, James Stevenson. Under his chairmanship, a distinguished body of men were got together, and presented their final recommendations on July 30.<sup>2</sup>

The subsequent proceedings upon this relatively modest proposal aptly illustrate the stages that have to be gone through in our complicated and world-wide system in bringing any scheme into effect even when it has unanimous approval. References have to be made here, there and everywhere, enquiries as to personnel, contributions and other matters, take endless time and tax the patience, so that it was not until June, 1918, that the personnel, duties and scheme of work of this Bureau were finally established <sup>3</sup>

<sup>1</sup> I would respectfully urge anyone interested in this topic to read what is, perhaps, the latest utterance upon it in Lord Milner's book, *Questions of the Hour*, 1923, Chap V, on "Our Undeveloped Estate"

<sup>2</sup> The personnel of Stevenson's Committee and a summary of their conclusions and recommendations will be found in the Appendix, Nos 4 and 5

<sup>3</sup> The scheme of administration as designed by Stevenson's Committee and embodied in my Cabinet memorandum of June 6, 1918, will be found in the Appendix, No. 6



The personnel of the Imperial Mineral Resources Bureau, as first constituted, was as follows—

<i>Chairman of the Governing Body</i>	Sir Richard Redmayne, K C B
<i>Representatives of the United Kingdom</i>	Westgarth Forster Brown, Esq , Mineral Adviser to H M Woods and Forests Professor H C H Carpenter (President of the Institute of Metals) Dr F H Hatch (Ex-President of the Institute of Mining and Metallurgy) Sir Lionel Phillips, Bart Edgar Taylor, Esq (of Messrs John Taylor & Sons, Retiring President of the Institute of Mining and Metallurgy) Wallace Thornycroft, Esq (President of the Institution of Mining Engineers)
<i>Canada</i>	Dr Willet G Miller
<i>Commonwealth of Australia</i>	Mr. W S Robinson
<i>New Zealand</i>	Mr Thomas Hutchinson Hamar, of the High Commissioner's Office
<i>Union of South Africa</i>	The Right Hon W P Schreiner, C M G
<i>Newfoundland</i>	The Right Hon Lord Morris, K C M G
<i>India</i>	Mr R D Oldham, F R S
<i>Colonies not possessing responsible Governments, and Protectorates</i>	Mr J W Evans, D Sc , LL D

#### MINERAL DEVELOPMENT AT HOME

Side by side with overseas enterprise we had to see what could be done in developing our supplies at home.

I had already made the acquaintance of Sir Lionel Phillips, Bart , the South African mining expert, from whom we had borrowed both Sothorn Holland and Ross Skinner, and I had asked him in February, 1917, to help us in getting more out of our United Kingdom resources. About a week after the Cabinet meeting referred to in the note of March 5, I had drawn him fully into our circle, and he became the head of a group of men who were set aside to promote the development of minerals at home for war purposes. I shall not seek to trace all the ramifications of his many enterprises in our Homeland. They yielded a wonderful harvest. In those days, a man who was prepared and able, as Phillips was, to put a little ginger into things, had a chance, but nowadays, I suppose, when the Deity of private enterprise is once more exalted in company with its celestial mate, the Goddess of Economy, his magnificent report of March 1, 1918, containing his record of work and recommendations for the future, will be lightly esteemed. In the old days of South Africa he was President of the Chamber of Mines, and got into trouble as many others did. He is one of the survivors of the four Uitlanders who were condemned



SIR LIONEL PHILLIPS, Bt



*Photo by Russell*

SIR RICHARD REDMAYNE, K C B



*Photo by C C Beresford*

MR LIONEL HITCHENS



## THE DOMINIONS AND UNDEVELOPED RESOURCES III

to death by Judge Gregorowski. Anybody less of a political Socialist it would be difficult to imagine, and although I believe he is a strong and loyal Conservative, he did not conceal his opinion of the extent to which a riot of individualism, in the absence of any authoritative State agency for securing orderly development, had made havoc of some of our mineral resources. Physically a small man, alert and nimble, no man can spend many minutes in his delightful company and in the presence of his penetrating, bright eyes without feeling that, so far as his job is concerned, he is a master of it.

I must quote a sentence from his report as a feeling and accurate description of what has so often happened in these matters. Perhaps he had some premonition of what a coming time of reaction might do for his own recommendations, notwithstanding that while the war was on they were seized upon eagerly and we did everything we could to give effect to them—

"A Royal Commission to enquire into the subject of mining royalties was appointed on August 19, 1889. It took a great deal of evidence contained in two large volumes, and published its final report in 1893. The Commission, under the chairmanship of the late Earl of Northbrook, contained the names of a number of distinguished persons, and the subject was treated in a most comprehensive manner. Many recommendations were offered, only one of which, so far as I can find, has ever been the subject of an Act of Parliament necessary for putting them into execution.

"The utter disregard of such an excellent document does not afford very great encouragement for offering fresh proposals for improving the conditions under which mining titles are held or mining operations are conducted. It is, nevertheless, my duty to make recommendations, and I will embody them in the briefest possible form in the hope that they may stimulate action. I put them forward as individual opinions, fully conscious that they can only form a basis for discussion, and without the presumption that they are not susceptible of improvement or will not be modified."

One single illustration will suffice to show some of the things that could be done even in this old, worked-up, country under the stimulus of the kind of progressive Mines Department that Phillips contemplated. Speaking of tin, he says—

"There is a field for investigation which the Department [his own department in the Ministry of Munitions], in conjunction with the Committee of the Privy Council for Scientific and Industrial Research, has assisted in organising. Over 35 per cent of the tin in the ore is now lost. Calculated over the last sixty years, it would seem that between twenty and twenty-five millions sterling have been lost in the tailings. No sustained effort in the direction of systematic research has hitherto been made by combination among producers to decrease the loss. The resources of modern science brought to bear through the medium of the Tin and Tungsten Research Committee are not likely to be entirely baffled in attacking the problem, admittedly difficult, and the increased recovery of even 10 per cent or 15 per cent. of the tin in

the ore would in itself introduce a measure of greater prosperity to the industry "

His estimate of the mineral possessions of our island home is in the following terms—

" The British Isles have probably been endowed with greater mineral wealth than any area of equal size on the globe

" Vast reserves of coal remain, and beds so far untapped await exploration

" Considerable but diminishing quantities of high-grade and enormous bodies of lower-grade iron ore are available

" Limestone, clays, igneous rocks, chalk, sandstone, salt, slates (unrivalled in quality), and various silica sands for moulding, furnace work and glass-making, and barytes, are abundant Nature's prodigality in the provision of these substances is not generally appreciated "

The lack of the development of our minerals on a comprehensive plan under scientific advice and guidance was revealed almost every week in something or other that cropped up The share that the State could properly assume, without discouraging but, in the end, giving a greater opportunity to private initiative, can scarcely be expressed much better than in the following extract from Phillips's report—

" In the United Kingdom, private enterprise has been left to work out its own salvation The State, generally, has concerned itself with levying taxes and looking after the health and safety of persons employed in mines It does not seem to have considered or to have taken any interest in such questions as success or failure, greedy working, i.e. profit-snatching to the detriment or even destruction of mines, exorbitant demands or obstructive tactics by landowners These references are not intended as a general condemnation of mine lessees or of landlords, but bad examples could be cited, and the subject is mentioned to draw attention to the weakness and indifference of public policy regarding the management of national industry This aloofness of English Governments towards industry is due, no doubt, to the national spirit of independence and dislike of control

" That there has been too little interference by Government in the past will be generally admitted That there can well be too much interference is equally obvious The essential point is to determine how far Government can stimulate enterprise without discouraging individual effort In trade and industry the spur of rivalry should be kept sharp Government can, nevertheless, safeguard industry without casting a blight upon vigour or the spirit of adventure."

By the time that he sent in his final report in March, 1918, my proposal for the establishment of an Imperial Mineral Resources Bureau had already borne fruit, and his proposals on policy should be read in the light of what had transpired. They are worth quoting, however, as showing how the subject was regarded when the character of our national necessities was vividly before us. They were as follows—

" 1 That the Government should, in the public interest, concern itself more actively than hitherto in the Mining and Mineral Industries at home and in the Crown Colonies and Dependencies.

" 2 That for this purpose it is necessary to organise a Mines Department on suitable lines for the United Kingdom

" 3 That in order to secure the full benefit of the department, at least three small qualified bodies acting as Committees or Commissioners should be appointed, and they might be conveniently styled—

" (a) The Imperial Mineral Resources Bureau—forming a link with the self-governing Dominions

" (b) The Mines and Minerals Commission, to watch and foster the interests of the Empire in the output and Trade in mineral and metallic products

" (c) Commissioners authorised to take action in cases of improper exploitation of properties, or unreasonable or prohibitive conditions imposed by landowners for royalties and wayleaves

" 4 That a fund to be administered by the Mines Department and rendered as far as possible self-supporting should be provided for the purpose of undertaking experimental work in approved directions

" 5 That profits spent upon the further development of the properties from which they were derived should be exempted from taxation

" 6 That the provisions of the Metalliferous Mines Regulation Act of 1872 should be amended and extended where necessary in order to give effect to these recommendations "

Lionel Phillips had been assisted in his work by a small body of men<sup>1</sup> who were probably as experienced as any group of a similar size that could be found. They were, of course, not in touch with the day-to-day working details as Phillips himself was, but their findings upon his recommendations were as follows—

" The Committee have not been able to check the information in the report or to consider in detail the various suggestions which are contained in different parts of the document

" Broadly speaking, however, we are in conformity with the main conclusion come to by Sir Lionel Phillips, and unanimously decide to report to the Minister of Munitions, by whom this Committee was appointed, that we endorse in principle the recommendations "

These gentlemen, and all others with whom I was acquainted in those days, whatever may have been their preconceived ideas as to the relative spheres of activity of State and private enterprise, were convinced that we had wasted or insufficiently used immense quantities of minerals, and that one of the chief causes was the lack of that comprehensive skilled oversight that could only be secured by an authoritative body representing the State. Necessity forced us to the institution of improvised arrangements during the war, but no improvisation, however energetic or skilfully fashioned, can

<sup>1</sup> For the membership of Lionel Phillips's Advisory Committee, see the Appendix, No 7

take the place of a well-ordered and continued plan of operations. The South African Dominion is far ahead of us already in this respect. It seems almost to be a waste of breath to stress these considerations, but they can never be more important than in a time when a million and a half people are out-of-work—in a country which, to use Phillips's expression, has "probably been endowed with greater mineral wealth than any area of equal size on the globe." Nature's prodigality in this instance, as in so many more, seems to march side by side with man's neglect.

## CHAPTER IX

### THE CRISIS OVER MAN-POWER AND RECRUITING IN THE SPRING OF 1917

Unrest Over Recruiting—Special Causes of Trouble in the Spring of 1917—Legacies of the Man-Power Board—Proposed Dilution on Private Work—Improper Recruitment of Skilled Men—Wholesale Volunteer Industrial Enlistment—Neville Chamberlain Appointed Director-General of National Service—His Difficulties and What He Inherited—The Provision of Substitutes—A Gigantic but Impossible Scheme—Its Effects—Troubles with the War Office—Derby and Addison Conferences—A Macready Story—A Schedule of Occupations the only Way Out—Agreed Proposals submitted by the War Departments—Accepted by Cabinet

**J**UST as food was necessary for the life of the people, so recruits were necessary for the life of the Army, and in both cases a point of maximum peril at home was reached during the year 1917. In the case of man-power it was naturally not the point of maximum scarcity, because the wastage of the war made scarcity more and more pronounced to the very end, but the peril of internal disunion was greater during 1917 than afterwards.

The growing food difficulties had indeed provoked widespread dissatisfaction, but popular self-control and reasonableness had exercised a restraining influence and prevented their taking, to any great extent, the form of resentment against the governing authorities. At that time popular feeling in this country as elsewhere was influenced by the great uprising in Russia and this event, added to the well-known share of the German Emperor in provoking the miseries of the war, did much to promote anti-monarchical sentiments as well as a readiness to resent constituted authority in any form, from the King and Government downwards to a trade-union executive. The level-headedness and sense of proportion of the British people, together with the tact and the open and loyal attachment to British institutions of the King and Queen and their family, effectually prevented any substantial development of sentiments of this character. Food scarcity, foreign influences and the miseries of the war were enough in themselves to test popular restraint, but the exciting cause of the troubles



of 1917 was the imposition upon the hardships of the time of certain circumstances of a most provocative character so far as organised labour was concerned.

Many of the difficulties of recruitment were unescapable, but they were intensified in an extraordinary degree by the events that were consequent upon the actions of the Man-Power Board in the autumn of 1916. A chapter should be devoted to a review of the causes of the growing ferment and a later one to the events accompanying the application of the remedy proposed, but no understanding of them is possible unless we trace the development of three projects set agoing by the Board.

They were first, the proposal that the process of labour dilution should be extended to private, non-war, work,

Second, the interposition in the arrangements for protecting skilled workers against improper enlistment of what was known as the Trade Card Scheme,

And, third, the scheme of wholesale volunteer industrial enlistment.

The proposal that the process of labour dilution should be extended to private work was amongst the early suggestions of the Man-Power Board, and in their report of September 29, 1916, we were informed that—

“ The Board have requested the Board of Trade and the Labour Adviser to His Majesty's Government ” (Henderson) “ to confer with employers and Trade Union leaders as to the extension of the practice of dilution to firms engaged wholly or partially on private work so as to set free skilled men thus engaged for munition work ”

If dilution could have been so extended it would no doubt have given us some reinforcement of skilled labour, but the light-hearted way in which the proposal was put forward betrayed a remarkable lack of appreciation of the enormous difficulties that had been experienced in obtaining dilution on war-work. No subject was calculated to be more controversial or to arouse angrier opposition. The struggles to obtain dilution in munition shops dated from the Treasury Agreement of March, 1915, and the application of it (as recorded in an earlier chapter <sup>1</sup>) had been attended by most serious disputes, and it was only after months of struggle that settlement and good understanding had been obtained. During the summer of 1916 excellent relations and a settled practice had been arrived at, and both employers and men in the munition shops throughout the country knew what was involved, the pro-

<sup>1</sup> Volume I, Chap. XIII.

cesses that had to be gone through, and the conditions applicable to the new labour.

Those of us at Munitions who knew what the difficulties had been, even where the work was obviously war-work and in "controlled" establishments were frankly aghast at the vista of troubles the project opened out in thousands of factories and shops that no one wished to control and in many of which the labour employed steadily decreased as the sphere of war-work extended. It meant in any case most controversial legislation, for no consent to it would have been possible unless there had been such a measure of control over the establishments concerned as to secure that the conditions were applied and observed. We had our hands full enough with the control of establishments employed on war-work, and who the unfortunate individuals were to be who were to have charge of dilution in every civilian industry throughout the country we did not know, but we were quite clear on one thing, that we should keep out of it if we could.

This view could not be better expressed than in an extract from a memorandum of Montagu's dealing with man-power projects—

"The Munitions Act went so far as it is probably safe to go in the organisation and compulsion of labour. It required courage to start and greater courage to carry it through. Our relations now with Labour are very satisfactory and it will be a fatal error in my opinion to jeopardise these relations by undertaking legislation which could not but be controversial and which I am certain would antagonise those upon whose co-operation we depend."

Notwithstanding such representations, the matter was gone on with, and Henderson, on behalf of the Cabinet, convened and addressed a meeting of the unions on October 27, 1916, and announced the proposal. It was met as might have been expected with most vehement protests, and the meeting was adjourned. The burning question at that time was how to prevent the mistakes that were occurring in the calling up of skilled men who had been exempted. Any question of extending the area of trouble by arousing controversy on so thorny a topic as the extension of dilution before some settlement had been arrived at over improper enlistments was manifest folly, and the practical men in the departments pushed on with arrangements for creating Local Enlistments Complaints Committees and other machinery to avoid recruiting blunders.

Before, however, these agencies could be got into working order the anger over the compulsory enlistment of skilled men had blazed

out into the strike of November, 1916, over the enlistment of Mr. Hargreaves in Sheffield, and this precipitated the Man-Power Board into the rash adventure of the Trade Card Scheme as already related<sup>1</sup> It may be recalled that instead of carefully developing a system whereby recruiting mistakes could be avoided, the Board committed the country to a scheme under which the Trade Union Executives could administer the law by giving cards of exemption to certain of their own members. Some little detail of this agreement will have to be given later on, but the agreement was signed on behalf of the Government by Chamberlain, as Chairman of the Man-Power Board, Henderson and Montagu on November 18, 1916 The procedure clearly could not stop with a single union, and an immediate result was that a large number of other unions, with skilled men in their ranks, claimed the same privilege, and it could not be denied them. At a meeting, therefore, at the War Office on November 22, Henderson, Derby and myself had to extend the arrangement to twenty-four other unions We knew also that, even these unions did not include all the skilled men who ought to be protected, although it was equally certain that they had amongst their members a great many who were not entitled to protection from enlistment on the ground of indispensability as skilled workers

The third project of the Man-Power Board related to the voluntary enlistment of workers for industrial purposes and was intended to assist in obtaining substitutes for men who might be released for military service A scheme of Labour Substitution had arisen in this way The demands of the Army for men and for manufactured supplies were always ahead of the available labour supply, so that although the process of labour reinforcement by dilution, training and otherwise was continually going on it was constantly being subtracted from by a withdrawal of exemptions in order to enable more and more men to be supplied to the Army In many branches of work, for example in steel production, a diminution in the labour employed was impossible, but where it was possible we were trying, in conjunction with the War Office, to work a scheme of finding substitutes, either from men released from the Colours or from other sources to take the place of those who could be spared if a suitable substitute were available. At the end of 1916 this process of substitution was slowly being got into working order, although it was still very unsatisfactory and attended with many difficulties. The proposals of the Man-Power Board, in respect to substitution, contemplated a general scheme of voluntary labour enrolment,

<sup>1</sup> Volume I, Chap. XIV.

and suitable substitutes were to be sorted out from amongst the volunteers. The proposals had not, however, taken a very definite shape before the fall of the Asquith Government.

With the change of Government, Mr. Neville Chamberlain found himself appointed Director-General of National Service (the Man-Power Board in a glorified form) and was confronted with a demand for substitutes in all directions in order to obtain releases for the Army, as well as by a greatly increased demand of the Army for men, whether by substitution or otherwise. The Trade Card Scheme was in operation and dilution on private work was dangled before the trade-union world as a sort of golden key that would unlock a Pandora's box of troubles. I do not think that any Minister was ever appointed to a more difficult task and under worse conditions. Where Lloyd George had obtained the governing idea of a National Service Department from I never quite knew, perhaps it was from his colleagues on the previous Man-Power Board. He had been led to believe that it was the way to deal with some of the man-power difficulties, and it might have been so if the department had been less ambitious in its early enterprises. Afterwards when Sir Auckland Geddes succeeded Chamberlain and brought over with him the recruiting agencies of the War Office, it was gradually fashioned into an efficient, if somewhat tyrannical, machine, but at the beginning of 1917 no such arrangements prevailed. Neville Chamberlain's duty in general terms was to examine the distribution of the national man-power and to make suggestions, and, to some extent, to give directions for its utilisation and disposition. If he had inherited a less ambitious programme he would have had a much better opportunity of serving the pressing needs of the time, but he was precipitated head first, and without a well-developed and experienced staff, into a job that, I think, was impossible of attainment at any time by a State department in a complex community like ours. Substantially it was to sort out and to direct the work of the nation—not *en masse*, but as a collection of individuals. He never really had a fair chance, and he was given an impossible task. The only complaint that I think could justly be made was that he failed to point out that the proposals he had inherited were impracticable, and, instead of trying to develop a scheme of operations that was unmanageable in itself, he should have concentrated on a more modest, obvious and practicable task.

The following notes relate to the early days of Chamberlain's appointment—

*Saturday, December 23, 1916.*

" I turned up at L G 's at 9 30 and found Neville Chamberlain and Stevenson Neville Chamberlain has been appointed Director of National Service, both Civil and Military, and L G wanted Stevenson to leave us and be his right-hand man on the civil side I could not deny Stevenson's ability which is quite obvious, but it would be a great loss to the Ministry if we were to part with him, and, on going back to the office, I found them in consternation at the thought of it "

*Thursday, December 28, 1916*

" After lunch I went to 10 Downing Street and had a conference with L G and Neville Chamberlain I cannot wonder that Neville Chamberlain does not seem to know what it is he is going to do or how he is going to do it I agreed that Stevenson, with some others, should help him to think out his problems Stevenson does not like the job The proper line to take is to strengthen up the organisation of the L G B and for Chamberlain to use it in order to assist the Food Controller or anybody else who needs substitutes ; otherwise we shall have every town and hamlet in the country overrun by fresh local organisations "

As the days went on Chamberlain's perplexities did not diminish. All of us at the Admiralty, Munitions, Food and other executive departments were impressed with the urgency of the obvious and immediate task of obtaining, through such volunteers as the National Service Department could enrol, a sufficient number of substitutes to enable us to set free the men we were expected to provide for the Army during the next month or two

Rhondda, at the Local Government Board, was appointed chairman of a committee on man-power questions, and after reviewing the demands of the Army, allotted certain quotas to the different departments as the numbers of men that ought to be made available by a given date from the industries they were concerned with. For example, we at Munitions were required to provide, so far as possible in equal monthly instalments up to July, 124,000 men Other offices, Agriculture, the Admiralty, War Office Contracts, etc , had their allotted number. If the National Service Department had concentrated on obtaining volunteer substitutes more or less classified according to the industries for which they were suitable for replacement, it would have been of immense service to us all, and would, perhaps, have succeeded. We should at all events have had a definite group of volunteers with some previous ascertainment of their suitability to work, but unfortunately the proposals that Chamberlain ultimately was induced to adopt were of a very different character.

In the latter part of January, we were confronted with proposals that, apart from the proposed dilution on private work and the

operations of the Trade Card Scheme, did much to aggravate the industrial situation. In the first instance it was suggested that there should be a clean sweep of all men up to twenty-one into the Army. This meant that about 70,000 men all told who had been through a full apprenticeship in various skilled occupations would be lost to production. However fair and right it might be that these young men should go into the Army if they could be spared, it was immediately obvious that it would have a desolating effect upon output in some most important directions, whilst at the same time it was contrary to many undertakings, from the ex-Prime Minister downwards. The proposal was not confirmed in this form, but we found in the first week of February that local recruiting officers were calling up all manner of skilled men under the age of twenty-three, particularly those employed on brass castings, aluminium and other metal work, and it immediately interfered with aeroplane-engine production and gun repair. The matter was referred to Cowdray and Chamberlain, and the procedures were promptly modified, although their effect was very unfortunate.

The final proposals of the National Service Department were of a more far-reaching character. A volunteer industrial army was to be enrolled, there were to be local bureaux everywhere, and even men from existing munition shops and from all manner of war-work occupations were invited to enrol themselves. The men in the proposed National Service Bureaux were—

“ To ascertain and register the capabilities of each volunteer ”

And afterwards the Director-General—

“ Having satisfied himself of the necessity of any demand for labour, will allocate to the Government Departments or firms the labour supply accordingly, the Director-General retaining the power to re-allocate from time to time the labour provided or its equivalent ”

The Director-General was also to settle all claims as to priority and demands of labour, and, finally, he was to saddle himself with this unthinkable prodigious task. He was—

“ To determine all questions which can be dealt with under the Acts, Orders-in-Council and regulations now in force or hereafter passed relating to the organisation, utilisation and transfer of male and female civilian labour for the purpose of providing the necessary man and woman power for naval and military operations and the continuation and development of industries ”

As a sort of aside the conditions of service for this infinite variety of volunteers, in an infinite variety of occupations, were prescribed in one or two paragraphs. In sending in to me the criticisms of the department upon the details of these proposals, Kellaway let

himself go, and I cannot refrain from quoting his concluding summary. He said—

"The machinery of the scheme strikes me as being the craziest that an embarrassed statesman has ever flung together. It will cause hopeless confusion and is bound to work badly. If these anticipations of mine are well founded—and they are come to after discussion with men like Stephenson Kent and Rey—the effect on the position of the Government is likely to become very serious."

Kellaway's anticipation proved only too true, for, although the proposals were subjected to some slashing criticisms, the National Service Department did their best to realise some of these ambitious undertakings, and caused an infinity of annoyance with a microscopic amount of useful result.

On paper it was quite a pretty idea, entirely worthy of the traditions of the Man-Power Board. Perhaps some of the leading spirits of that body had encouraged them, I do not know. They were certainly not the proposal of people who dealt in a world of realities, where hundreds of thousands of men and women were engaged in hundreds of different grades of occupations with a bewildering complexity of wage rates and conditions of service that had been hammered out through months of difficult negotiation between employers and employed and the Government departments. The affairs of a complex industrial community are unfortunately not capable of paper simplification. Nevertheless the wholesale enrolment was diligently proceeded with during the month of March.

The following diary extracts reveal one's mind upon the proceedings of that time, and I see no reason to modify them—

*Friday, March 9, 1917*

"The National Service people still have their heads in the clouds trying to enrol a Stage Army. Their latest performance is that they wish to enrol everybody and anybody, including all those at present in the service of Government Departments, in munition works, etc., etc. It is altogether too silly a performance for words. It means that they will stack their catalogues with thousands of names of people who could not be moved, and hide out of sight those whom they could make some use of. Up to the present I have absolutely declined to allow any of our people to enrol, especially as one of the conditions is that they can be removed at the discretion of the Director-General. How is a man to run his Department if somebody else has the power to take away staff which is regarded as essential for running it?"

*Monday, March 12, 1917*

"National Service is set on enrolling everybody and anybody, nine-tenths of whom there is not the slightest possibility of finding work for and thereby causing endless dissatisfaction and unrest, and the worst of it is that they are not finding the labour for those of us who want it."

*Thursday, March 22, 1917*

" On Monday and Tuesday I had perhaps two of the most worrying and time-wasting days I have had at the Ministry of Munitions. Some hours each day were spent over this never-ending man-power question on a hopeless series of impracticalities, one of which is the wonderful idea of setting up another separate department to control and guide everybody else. I am glad to say that at least we had the satisfaction of knocking the bottom out of this additional piece of nonsense. Nothing is more amazing these days than to find the utter lack of appreciation of how things are actually done by a large number of men whom one would expect would know better. They appear to think that you move labour about in blocks of hundreds or thousands, instead of realising that what actually happens is that men go to hosts of different places and that you cannot move them until you have made sure that there is accommodation, until things are ready for their work and that machinery, transport or other facilities are provided. Even then the men are only moved gradually, and as individuals, until the work gets into swing. I do not think I need bother this diary with details of the discussion, but I feel quite satisfied that 'National Service's' visionary enrolments and orders are doing a great deal to cause disturbance and dissatisfaction in the country without giving one bit of assistance to anybody who wants it "

In the similar case of war-munition volunteers the difficulties of ascertaining the capabilities of individual volunteers for different occupations had continued for many months after the work had got into full swing. Although we were then dealing with relatively small numbers it was a constant experience to find that men were not really suitable for the job they had been put to and a good percentage were returned to us to be tried again somewhere else before a place was found that they did fit.

But the National Service Department proposed that "experienced officers from the employment exchanges" should manage these things in every factory and shop throughout the land. They would have had hundreds of thousands of volunteers on their hands, and the notion that they could rapidly ascertain amongst this multitude the suitabilities and capabilities of each volunteer and allot him, much as you move a pawn on a chess board, really verged on madness. The refusals, the disputes, the questionings would have brought confusion everywhere. Multitudes of volunteers would come forward who could not possibly be made use of in any of the occupations that required workers, their patriotism and willingness were abundant, but unfortunately these things had no relation to their suitability for becoming a substitute for some particular man who could be released for the Army. Widespread disappointment would have been the immediate result, indeed, it was in thousands of cases, and created the impression that the demand was not a real one and obscured the fact that the



absorption of labour in highly technical processes even at the best can only be gradual

The next part of Chamberlain's proposal was worse still, for, after the Director-General had "satisfied himself as to the justice of the demand" for labour he was to retain power to "re-allocate" it from time to time

The preliminary ascertainment of the "justice of the demand" was no easy matter. The demand for labour, although presented in bulk by the Board of Agriculture, the Food Department, the Navy, War Office, ourselves and others, came from thousands of different places. It was tedious and difficult to get at the true worth of the separate demands that made up the total. If a man wanted half a dozen people he would ask for a dozen because he knew full well that a good many of those that would be presented would be unsuitable. The quantity of the demand therefore always called for some enquiry, and the examination of it in friendly discussion with the works managers had resulted, in thousands of cases, in a reassignment of the labour already employed by which the necessities of the case had been met by a smaller supply of extra labour than was first asked for, or even with no addition at all. This process which we had found difficult enough in munition shops was now to be extended to every farm, factory and shop in the land, where anybody asked for new labour. I cannot say that we worried ourselves much about this aspect of it, for we knew perfectly well that it could not be done unless the country was willing to see one in every five persons turned into an inspector.

But the power of the Director-General to "re-allocate" labour was a much more serious matter, and gave much trouble. It could not be done in the engineering works except by the dilution officers and other skilled men who had gradually become accustomed to the business and familiar with the multiplicity of arrangements involved in the process. The idea that outside experts from the labour exchanges, however personally competent and well-meaning they might be, were to go into shipyards, munition works and all the rest of it and re-allocate labour was an unthinkable proposal. How were they to be acquainted with the agreements and arrangements that had accompanied the introduction of the workers? No management would ever consent to their coming in and picking people—one here and two there. Above all, how were they to be acquainted with the relative importance of the different process upon which the workers were employed? It was vital that the distribution of labour amongst the shops—its dilution, allocation and transfer—should be within the control of the people who were responsible for the output and who knew from day to day the

relative importance of the required supplies. At different times the National Service Department made attempts to take people, who had enrolled as volunteers, away from shops without the concurrence or consent of those responsible for production. An immediate outburst of complaints from the employers and from the men's representatives resulted. The idea was as mischievous and impracticable as any proposal well could be. It was bad enough to have to be continually adjusting with the War Office the misunderstandings and troubles that inevitably arose in different parts of the country through complaints, on the one side, that men were being employed and protected who might well be spared, and on the other hand that indispensable men were being enlisted, but to have a third body of people coming in and taking workers away, without authority either from the management or from the Ministry, was needlessly to add another troublesome element to the situation. The wrangles which arose over this matter became so acute that they were referred with other disputed matters to the adjudication of Milner and Henderson, who, in the end, were charged to undertake an enquiry into the whole proceedings of the National Service Department.

The exasperating thing was that these events were occurring at a time when the old dilution controversy seemed to have become a thing of the past and relations with trade unions were so good. An unexpected testimony to the truth of this statement happened to come about that time and, in view of the place it came from, it ought to be mentioned. A deputation from the Amalgamated Society of Engineers and a number of shop stewards from Glasgow attended on January 31. The point of the deputation related to certain deportees and does not particularly concern this section of the story, but the year before the Clyde had been the storm centre of the labour world and now we had shop stewards voluntarily bearing testimony to the smooth working of the arrangements that Macassey and his colleagues had instituted and to the general goodwill prevailing, even in the very yards where the trouble the year before had started. They did not, however, fail to voice their misgiving at the uneasiness and mistrust that were growing up over the performances of the National Service Department with a view to assisting enlistments.

The prodigious and unworkable scheme of the National Service Department had the effect of driving the executive departments together and themselves suggesting some way out of the increasing tangle of difficulties. The account of it involves a divergence to a different, but allied, topic. It relates to the troubles between

the Ministry of Munitions and the War Office and the means adopted for dealing with them. Derby and I at the very beginning had determined that we would do all we could to promote the frankest and friendliest arrangements between the two departments, and soon these developed into regular meetings on Wednesdays in the Secretary of State's room, where he and I, with our chief officers, met to have a clearing up, so far as we could, of the difficult points of policy or detail of administration that had arisen between the two departments. I do not know how these conferences were continued after I left the Ministry, but they continued whilst I was at that office and did a world of good because the influence of them necessarily spread through the departments. Macready, Lieut-General Furse, the M G O, and Auckland Geddes were almost always there with Derby, and I had Stephenson-Kent and Kellaway, and frequently Layton or Wolfe as well.

One of these pleasant meetings is fixed in my mind by an explosive interjection of Macready's that summed up in a sentence, I think, the difficulty of administration, whether in Government or in private affairs. The custom was for Kent or Layton, as the case might be, to go over the dossier of points with me beforehand. I remember that on this occasion, before we went, Kent pointed out that he was afraid we should have rather a gruelling time, because Macready and Geddes had got some rather bad cases up against us, as indeed they had. In particular that week there were some cases in which exemptions from recruiting had been granted without sufficient justification. Our counter-case was not a very strong one and there was only one instance that helped to redeem our record, or, at all events, to show that we were being unfairly used by recruiting officers. I thought I had better keep it in reserve as a sort of parting shot. The case was that of a very skilled man who had been improperly recruited, and who had finally been found by some of our people doing fatigue duty on Wimbledon Common, and we claimed that this man and his class were indispensable.

We had a bad time as anticipated, but when it came to the last shot in my locker there was no question between us that this class of man ought not to be recruited. Macready's defence was masterly and admitted of no reply. "My dear Addison, if you can tell me any way in which I can get a hundred recruiting officers, or you can get a hundred dilution officers, without their containing an average percentage of damned fools, then I will tell you how to prevent this kind of thing occurring." It was the kernel of the whole business. The grand thing about it is that a



GENERAL SIR NEVILL F. MACREADY, G.C.B. F.R.C.S.

*Photo by Vandyk*



hundred Britishers, picked with reasonable care to carry out a task requiring fair-mindedness, good sense and justice, contains such an enormous percentage of competent and reasonable men and so very few that will do silly things. It was this that saw dilution through, that saw recruiting and weeding-out through, that saw us through rationing and a hundred other troubles. It is this that has made British government and administration so successful in many lands. It is this that demonstrates that it is not in the apparatus and machinery of government but in the character and quality of its people that the British Empire has its greatest and most abiding asset. It is a pity that so many people do not seem to realise that the cultivation and improvement of our own people is the first duty of British statesmanship.

These friendly tussles at the War Office, with their regular and critical examination of troublesome recruiting cases, had convinced us both by the middle of February, 1917, that there was no means either of providing the men required or of preventing ourselves from getting deeper and deeper into a bog of difficulties unless we could in some way emancipate ourselves from the shackles of the Trade Card Scheme. There had been many and urgent requests from trade unions, that were not amongst the favoured few entitled to grant cards of exemption to their own members, that they should be included. If the scheme itself were right their arguments were unanswerable. Mr J H Thomas, M P, for example, proved conclusively that there were a great many men in the National Union of Railwaymen and in the railway workshops who were doing skilled work on munitions and on gun output who were unquestionably indispensable and of precisely the same class of worker as those who were already protected in the unions that were issuing exemption cards. The same was proved by Mr Clynes and Mr Will Thorne in respect of men in their union, and by many others. It was established, for example, that in the brass and copper trades alone there were so many men (admitted to be indispensable both by the War Office and ourselves but who were unprotected) that if they had been recruited (and they might well have been in the absence of a trade card) they would have involved a loss in our fuse output of 300,000 per week and a loss of 200,000 cartridge cases per week. It was only by the friendly co-operation of the War Office and good sense and co-operation between the recruiting officers, the dilution officers and the representatives of the employers and men in the different shops that a disaster did not occur. As it was, during February, the protests both from employers and trade unionists as to the failure of the Trade Card scheme to protect a number of admittedly indispensable men became more and more

## CHAPTER X

### THE ABANDONMENT OF THE TRADE CARD SCHEME

The Announcement of the Government's Decision—Separate Meetings with Privileged and other Unions—Henderson, Robertson and Jellicoe—The Defects of the Scheme and the New Proposals—Auckland Geddes—Resentment of the Privileged Unions—Delegate Meetings—Prolonged Conferences—Agreement of May 5—Work of Stephenson-Kent—The Men Decline to Accept the Agreement—Strikes—The Disturbing Effect of the Proposed Dilution on Private Work—The Shop Stewards and a Strike Committee—Arrests—Conferences between the Author and the Engineers—Settlement of May 19—Terms of the Agreement—Work to be Resumed

**T**HE decision of the Cabinet to abandon the Trade Card Scheme was inevitable, but the prospect before those of us who were directed to announce the decision to the trade unions, and to carry through the negotiations to effect its withdrawal and the substitution of a new arrangement, was that of a vista of conferences. After our experiences of earlier times this filled us with a genuine feeling of apprehension. But, for the time being, it was our trench and we had to fill it as best we could.

After the decision of the Cabinet that the Trade Card Scheme must be abandoned we were informed that Austen Chamberlain would meet the Unions and announce the abandonment of the scheme. It was altogether appropriate that he should, as he had been the Chairman of the Board on Man-Power from which the scheme had emanated and it might have done him no harm to have come into contact first-hand both with the unions that were operating it and with those that were excluded. He would have found himself confronted with the opposing views expressed in frank and vehement terms and have obtained some glimpse of the difficulties that some of us had been contending with for a long time past. However, in a minute sent across by Stephenson-Kent on April 2, I was informed that he did not propose to come.

Henderson, therefore, on April 3, on behalf of the War Cabinet met the trade unions that had been parties to the arrangement

in order to announce the Government decision. It was decided that the case should first be put before these unions, and on the following day it was to be explained to those that had been outside the scheme. Field-Marshal Robertson and Admiral Jellicoe were appointed to attend both meetings and to explain to the representatives the gravity of the present embarrassed position as it affected the supplies of men for the Army and the Navy. I, myself, as Minister of Munitions, had to take charge of that section of the case that related to the working arrangements. I do not think I ever undertook a task with less willingness, but there was no escaping the fact that, although recruiting was no part of the business of the Ministry, we were the only department possessed of agents and machinery in the works for dealing in any efficient way with the classification of labour requirements, with the introduction and training of substitutes and of other new labour. The unions also made no secret of the fact that there would be a thousand difficulties if they were asked to deal with the National Service Department, the proceedings of which they had come to look upon with profound suspicion.

Our task was indeed disagreeable. Here were representatives of a number of unions that had been granted an extraordinarily privileged position. In some ways they had been placed above the law itself, for, notwithstanding the provisions of the Military Service Acts, they were entitled on their own motion to grant to their members a card which exempted them from the operations of the law. It was, of course, a much-prized privilege. It was based upon an agreement signed by important members of the Government and their own leaders and they would be entitled to urge—as indeed they did urge—that it was not open to one of the parties to it thus suddenly to bring it to an end. The grounds for the Government decision were put before them with singular ability by Henderson; indeed, there was no escaping the fact that if recruiting was to be carried on without perpetual turmoil and unfairness to other parties, and the Army was to get the men that could be spared from great groups of industries and that were essential to the maintenance of its strength in the field, some different system must be adopted, and it must be one that would deal equally with all concerned on the basis simply of their personal indispensability to the conduct of war industries. The speeches of Robertson and Jellicoe convinced the meeting, I think, that some change was inevitable; but the prospect was none the less unpleasant. It then fell to my lot to explain the actual difficulties that were found to be inherent in the working of the Trade Card Scheme, together with the details of the proposed alternatives. There



were, for example, quite a number of cases in which a man in charge of a gang, or a skilled man with responsibility over others, had been called up and recruited because he did not happen to be a member of any union that was a party to the agreement, whilst those who were working under his instructions were exempted owing to their union membership. No one could justify cases of this kind. Moreover, owing to the inequality of distribution of membership it appeared that in some important branches of work, in particular in the manufacture of aeroplane engines, there was an unusual proportion of men who were not included in the trade-card unions. In some shops where such men had been called the output had dropped to a third of the previous standard until, as a result of the negotiations between ourselves and the War Office, the men had been recalled to work. The same applied to some most vital shops where gun repairs and the provision of tank engines were being undertaken in response to special urgency orders.

It was therefore obvious that the agreement did not protect a large number of men who ought to be protected, whilst on the other hand a very large number of men were being protected under the terms of the agreement, who did not require to be exempted, for as the agreement stood, it did not prevent the issue of exemption cards to unskilled or semi-skilled men who happened to have been in these particular unions before August 15, 1915. Further, very large and important unions outside the agreement proved beyond any doubt that they contained within their ranks a large number of highly skilled men whom everyone admitted ought to be protected, apart entirely from the fact that there proved to be a substantial number of skilled men who were not in unions at all. If the system was persisted in, the pressure from the outside unions and from Parliament would become such that they would have to be admitted into the privileged list, and the whole process of recruiting would be further paralysed.

Another part of the agreement had been that the privileged unions should find, by volunteers from amongst their members, a number of men to fill certain artificer and other special units that were very much needed for repair and other skilled work in the armies. This part of the arrangement had broken down and less than half the men required had been forthcoming.

The question, therefore, was, what could be put in the place of the present inequitable scheme of exemption? We put before them a draft of the new schedule of exempted occupations. It set out in full detail the skilled occupations in which men were essential and that should be exempted from recruiting. In

some cases all the men specified in the occupation were excluded, in others the exclusion only applied to those above certain ages, for the most part to those over twenty-three years of age

It was proposed that the existing forms of exemption should be continued until May 1, that the remainder of April should be spent in making the necessary arrangements for putting the new scheme into operation, and that, thereafter, an interval of five weeks would be provided to determine cases over which questions might arise. We contended that the schedule provided a rational and fair system of exemption based on the only ground of exemption that was justified, namely, indispensability

In the subsequent course of the war these proposals abundantly justified themselves and provided the basis of a clear and workable arrangement that continued to the end. As we expected, however, the proposed withdrawal of the Trade Card Scheme met with the most vehement opposition. Henderson had to make it clear that the Government was compelled to go on with the proposed change and Auckland Geddes as the Director of Recruiting set out in full the way in which it was proposed to deal with appeals and disputes, and explained the system of special tribunals, both local and central, that were to consider questions as to whether a man was or was not engaged in an exempted occupation. Apart from numberless points of detail, the sense of the representatives clearly was that if they had had no previous commitment the proposed system of exemptions was fair and workable, but they objected to this withdrawal of a right deliberately conferred upon them by the Government and which was being operated under an authoritative agreement. Moreover, they alleged with some justice that they were only just getting the system into working order. Running through their criticisms also was a note of misgiving as to the effect of the announcement coming on the top of the turmoil and suspicion that had arisen in consequence of the changes and variations of debadging orders, of wholesale enlistment and other schemes that had been coming one on top of the other fairly regularly since October last from the Man-Power Board or from the National Service Department. As one of them very justly said—

"All this vacillation of having one system one week, and abandoning it, and then beginning another, is calculated to add to the discontent"

This was true enough and it faithfully described the continual tinkering that had been resorted to in order to patch up a system which was inherently inequitable.

There was no getting away, however, from the justice of what was proposed, although many points of detail immediately emerged. We were anxious to do everything we could to meet objections and to introduce amendments, provided the principle of a comprehensive schedule and the withdrawal of the existing network of exemptions could be arranged for. At this first meeting we got as far as could have been expected; namely, to an understanding that meetings should be held to discuss details and without a blank refusal. But it was evident that there would be a storm.

On the following day, April 4, we met the unions that were not a party to the Trade Card Scheme. Henderson set out the Government proposals, Robertson and Jellicoe putting the case as it affected their services. For my own part, the task was easy as compared with the day before. This statement was received with acclaim—

"You are aware that at different times we have had various systems of protection, which I need not stay to explain, generally known as badges, badge certificates and so on. Not one of these systems has worked altogether well, but they have served a very useful purpose—in fact, they have been essential. But I am quite free to confess, as one who has been inside the machinery of the Ministry of Munitions since the first day it started, that I have never known any scheme work so badly as the Trade Card Scheme."

The announcement of the new schedule and the withdrawal of the trade cards was received with unanimity and enthusiasm. Mr. Clynes, on behalf of his union, welcomed the scheme directed to obtain "equity as between man and man," and to remove the principle that membership of any particular union affected the issue.

Further meetings with the trade card unions were held during April under Henderson's chairmanship, but the rank and file of the members, as anticipated, took the most vehement objection to the withdrawal of the special privilege hitherto enjoyed, and the executive, particularly of the Amalgamated Society of Engineers, had clearly no authority to agree to any new arrangement, and a National Delegate meeting of the unions was called. The forty-eight delegates were the supreme authority in the union and on April 23, on behalf of Henderson and myself, who were engaged elsewhere on the grave food and shipping issues then before us, Kellaway received a deputation from the delegate meeting with the executives, and they came to tell him that they altogether declined to accept the new arrangement. They claimed, with some justice, that what unions were admitted to it was the affair of the Government, that so far as

they were concerned there was machinery to deal with the disputed issue of cards, and that time and goodwill would make it workable, that it was a definite agreement with the Government; that the suggestion of the scheme had come before them from Mr Austen Chamberlain himself at a meeting of their executive with the Man-Power Board in October last, and that it was not open to the Government thus to withdraw from the arrangement. The delegates themselves, who were men straight from the shops and in touch with the shop stewards and the men on the spot, were very vehement in their opposition. Unfortunately they had abundant material to bring forward as to the difficulties and disputes that had arisen owing to the improper enlistment of skilled men, and they were suspicious that in spite of the proposed schedule there would still be compulsory enrolments of essential skilled men with consequential turmoil.

All the appearances suggested a likelihood of strikes, so that on April 25, in response to his invitation, the whole body of the delegates was met by Henderson and myself, with Geddes from the War Office, Kellaway, Kent and our own men, and representatives from other departments. The best that Henderson and I could strive for was that the schedule should be accepted as the basis of negotiation, and Henderson expressed a complete willingness to consider modifications of the machinery and discoverable defects of the schedule, and undertook that none of their men should be called up until they had had an opportunity of seeing the schedule. He suggested that we should proceed forthwith with the detailed discussion of such points with a view to arriving at an agreed schedule and system of working. My note of the day, I think, fairly summarises the position—

*Wednesday, April 25, 1917.*

"All the rest of the morning was taken up with a big meeting with the A S E delegates who are objecting to the Trade Card Scheme. We could not possibly accept their claim, which in effect is that they themselves should determine which of their men should be recruited and that they should have a privileged position amongst Trades Unions. It was evident that the Executive sees the danger of the situation and is pressed by their delegates. Henderson was very firm that the Government could not possibly withdraw its proposals, but, short of that, was very anxious to do everything possible to meet their convenience. I rather gather that the Executive were anxious for the delegates to hear this and the meeting terminated in quite a friendly spirit, but I am afraid that Henderson, in making a promise that their members should not be called up until men introduced by way of dilution had been withdrawn if they were liable and fit, has raised a very difficult administrative point."

We separated, however, without any undertaking on the

Engineers' part that negotiations would continue, and the final note of the interview sufficiently represents the position as it then was—

**MR. BROWNLIE** I think it will be unnecessary to continue this conference any longer. Our delegates will immediately get together and give to you their decision with regard to the suggestion you have made about opening up negotiations.

**A REPRESENTATIVE** Would it be convenient, in the event of the delegates deciding to continue negotiations, to meet here again on Monday?

**The CHAIRMAN** Unless in the event of any sudden call, I would say that Dr. Addison and I would be delighted to arrange to meet you then

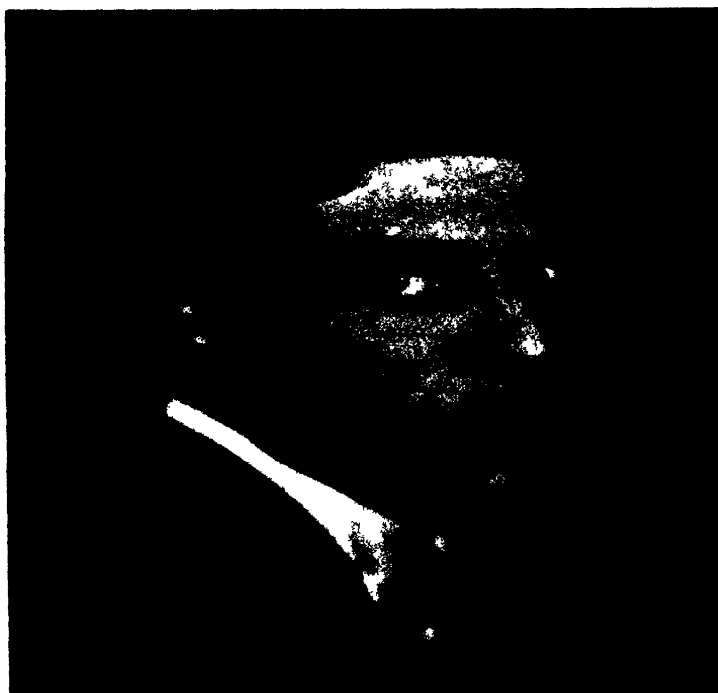
The promise of Henderson that even the younger men belonging to the occupations specified in the schedule, who were not excluded from recruitment on account of age, should not be called up before any of those who had been introduced in the process of dilution had been dealt with, introduced a most serious complication in the working of the schedule, although, no doubt, it was just enough in itself in view of what had gone before. In consequence of this the publication of the schedule had to be postponed until May 7

It soon became evident that the men were entirely out of hand throughout the country and strikes broke out against the proposed new arrangement. It is difficult to disentangle causes in a complex matter of this kind, but it may have been that the withdrawal of the Trade Card Scheme would not have precipitated strikes had it not been that the whole time it was overlain by the suggested extension of dilution to private work. This kept cropping up all the time and it was all that we could do to keep the negotiations confined to getting some acceptance of the principle of the new scheme of exemptions from recruitment, for we knew full well that even if dilution on private work did come to be achieved it would only be after long and tedious negotiations. This matter must be dealt with separately, and, although the record of it will not involve much in the telling, it was a potent factor all the time in promoting distrust.

It was with great difficulty that Henderson secured the continuance of negotiations with the executive and the delegates, and from Wednesday, May 2, to Saturday the 5th, they went on in different forms, until at last they resulted in an agreement late on Saturday the 5th



*Cecil Paulham & Hanfield*  
SIR CECIL PAULHAM & HANFIELD  
SIR CECIL PAULHAM & HANFIELD  
SIR CECIL PAULHAM & HANFIELD



MR HUMBERT WOLFE C B



## ABANDONMENT OF THE TRADE CARD SCHEME 137

The following diary notes, I think, suffice as a summary—

*Wednesday, May 2, 1917*

"Conferences with the A S E. began to-day. I will not trouble this diary until the end of the week with a recital of these wearisome, patience-trying performances that consist, for the most part, of continually putting up one point and then another and then retiring to consider it. The amount of time consumed is past speaking of."

*Saturday, May 5, 1917*

"This morning was glorious and I don't think I have ever more hated going into town than to-day. At 11 o'clock it was reported that after all the A S E had struck and would not come. However, after various haggings over the telephone with our people, they came at 2 30 and, thanks to Stephenson-Kent, an ingenious arrangement was suggested which, let us hope, has found a way out of the difficulty. I cannot be bothered to describe the conferences and adjournments that took place through the day until 9 30 at night. It was a miserable and wearisome business, but we kept our patience. There were meetings together and meetings separately, meetings with official messengers, questions to be answered in writing and so on, up and down stairs. However, at 9 30 the deputation announced that they had arrived at a decision and had decided to accept the Government proposals. We celebrated the event by coffee and sandwiches which Carter had obtained from somewhere. Nobody had had a decent meal all day and we were fairly well worn out. They agreed to send a telegram urging their members to remain at work and stating their acceptance of the principle of the schedule.

"I think the conferences during these last few days have been the most wearisome and patience-racking I have ever experienced. Both Henderson and I certainly did what we could, but I think we really owe the settlement more than anything else to Stephenson-Kent whose ingenuity is splendid. Geddes from the War Office, Barlow (my secretary) 'and Young' (Henderson's secretary), have also been immensely helpful. I am afraid we had large numbers of clerks and typists hanging about until very late, and I am perfectly certain that the whole office must have hailed the news of a settlement with unspeakable relief. However, it was worth striving for when Germany is very depressed at the great progress our people are making, with their own industrial troubles and enormous losses in the field. Industrial trouble in this country just at this moment would give them encouragement when perhaps of all times in the war it was necessary that they should not receive it."

The A.S.E. then issued this message—

"Delegates have reached agreement with Government. Arrangements have been come to in connection with the Schedule of Protected Occupations which provide adequate protection for skilled men and apprentices. Delegates urge there should be no stoppage of work."

We had therefore reached agreement with the delegates and the executive, as to the acceptance of the schedule in place of the trade cards, but would their authority be sufficient to get all the men back into the shops? Unfortunately it was not.



The impression, I think, of most of us who were in close touch with the situation was that the substitution of the schedule for the trade cards would have been accepted without stoppages in view of the precise character of the schedule itself and of the elaborate safeguards against improper recruiting, had it not been that suspicion was fostered and the bitterest possible feelings aroused over the proposed introduction of the system of dilution into non-war work. Reference has already been made to the origination of that expedient and to Henderson's announcement of the proposal to the trade unions as well as of our determination at Munitions not to embarrass our work and the good relations that had been established by taking more of a hand in it than we could avoid. By May, 1917, however, the proposal had gone further, and the following extracts from my diary of December 12 and 18 reveal how it was that the men in Stephenson-Kent's department at the Ministry, although they disliked it intensely, had finally to turn their mind to devising appropriate safeguards and arrangements for giving effect to it. The reason was that they were the only men who were applying dilution in any form—

*Tuesday, December 12, 1916*

"A good deal of the morning was occupied by a conference with the A S E Executive with Hodge as the new Minister of Labour. The A S E object to dilution on private work, but, in the end, I think, we got them to a friendly frame of mind and they adjourned to consider the scheme and are to meet again upon it next week."

*Monday, December 18, 1916.*

"In the evening we had the adjourned conference with Hodge and the Executive of the A S E on the question of dilution in private trade. They were very sticky and refused to have anything to do with it, but I came to the conclusion that they could not accept any responsibility in recommending their members to adopt it, but might negotiate if a Bill were brought in to require it. We promised to send them a statement setting out the needs of the case accompanied with pledges as to maintaining their position afterwards, similar to those applying to munition shops. I am inclined, on the whole, to think that it will come to a Bill."

The anticipation mentioned in the last note was soon realised, and in conjunction with the Labour Ministry, under Hodge, a number of men under Stephenson Kent were set to work framing a Bill. By the time the dispute over the substitution of a schedule for the trade cards had come to a head in the month of May, the draft of the proposed Munitions of War Amendment Bill had been prepared and the difficulties over the schedule were intensified a hundredfold by the knowledge that negotiations were in prospect for devising an acceptable scheme for the introduction of dilution into non-war work.

During all these months the perpetual troubles with recruiting had done much to foster the growth of the authority of the representatives of the men in the shops. The shop steward had individual grievances and complaints before him. he was an immediate spokesman, and by May the shop stewards, as shop stewards, had become strongly organised. Their representatives, unlike the delegates and the executive, had not heard at first-hand the frank statements of Robertson and Jellicoe nor had they been called upon to consider in practical detail the working of recruiting, substitution and exemption arrangements.

Notwithstanding, therefore, the agreement of May 5 and the instruction of the delegates, strikes continued. Many men were out on strike in Sheffield, Coventry and other places, and the position in Lancashire was immensely aggravated by the unspeakable folly of the head of a small firm who refused to have dealings with the men's representatives in his shop. His partners recognised that stand-offishness of that kind was altogether out of date and he resigned his position on the management, but the incident, added to the prevailing ferment, led to a widespread stoppage until the matter was adjusted. The strikes therefore continuing, notwithstanding the agreement of May 5, I myself saw the Executive of the Engineers on Wednesday, May 9, and a sentence taken from Mr Brownlie's (their Chairman) opening statement should be quoted as revealing this other disturbing factor—

"The stoppage of work in the districts that you have mentioned is not due directly to the withdrawal of the Trade Card Scheme. There is a considerable amount of unrest owing to the introduction of the Bill into the House which makes for dilution in private and commercial work. This has accentuated the unrest. Whilst it may be said that districts like Sheffield, Coventry and other places may have revolted against the withdrawal of the Trade Card Scheme the position is confused and somewhat complicated. I think we should be justified in saying that at the moment in the districts I have mentioned the burning point is in regard to dilution on private and commercial work."

Brownlie's statement completely confirmed our impression as to the aggravating effect of the proposed dilution on private work. We had, however, been instructed to struggle on with it and endeavour to find some workable arrangement. Henderson, on behalf of the War Cabinet, on more than one occasion in interviews with the unions, had emphasised the decision of the Government not to turn back. It was primarily the business of the Ministry of Labour, but for the reasons already referred to, we at Munitions had to take executive charge, and, as Minister, I was made responsible for the Bill in the House of Commons.

working in association with Hodge as Minister of Labour I never undertook the charge of a Bill with more unwillingness

The executive of the unions and the delegates were doing their best to get the men back to work. They knew perfectly well that discussions on the Bill must be prolonged and that the door was wide open to negotiations. But the fact was the men were altogether out of hand

The position was as maddening as any we had ever experienced. Here we were in the middle of a big programme for arming merchant ships, of gun replacement and gun repair for the summer offensive and with a clamorous demand for tank engines and aeroplanes, and we found ourselves confronted with perpetual outbreaks and disputes over recruiting that had been provoked by two sets of ill-considered proposals gratuitously and light-heartedly thrust upon the country by the Man-Power Board. The perpetrators of the mischief were looking on as dispassionate and, indeed, to some extent as critical, observers, whilst Henderson, Hodge and myself, with the men from Munitions, the War Office and the Labour Department, were slaving away trying our best to clean up the unspeakable mess they had made

The effect of these strikes upon output was deplorable

As an example I may quote from a return that I asked Colonel Symon—who was Sir Charles Ellis's chief assistant in guns—to give me as to the effect of the strikes for the month of May upon gun output. The result was that, compared with anticipated deliveries to Service, we were short of the following numbers of guns—

18-pounder	90 guns
60     "	22 guns
4 5" howitzer	8 guns, 5 carriages
6"     "	45 guns, 30     "
8"     "     Mk V and VI	10 guns, 8     "
9.2"     "     Mk I and Mk. II	6 guns
6" gun, Mk. XIX and VII	2 guns, 2 equipments

On May 10, after a long conversation with fifty unions representing the Federation of Engineers and Shipbuilding Unions, I managed to persuade them to pass a resolution unanimously condemning the strike and to appoint a committee to discuss the Bill with us. The Executive of the A.S.E. within the narrow limitations open to them, did their best to help us, but it would be wearisome to describe the numerous conferences and deputations that went on during the second and third weeks of May

Cutting across them were others concerned with the arrest of certain mutineers—arrests perhaps that in some degree helped to reveal the gravity of the situation and had a sobering effect. Free quotation from a description of the events which I wrote up on Thursday, May 24, will suffice to explain what transpired, but, before quoting it, it should be explained that an unofficial Strike Committee had come into existence which was in a great measure a standing challenge to the authority of the executives and of the delegates of the union. We had steadily refused to negotiate with the Strike Committee except with the approval and cognisance of the union authorities, for any other course would have made confusion worse confounded

*Thursday morning, May 24,*

" I have not had time to do any diary since last Thursday morning

" The adjournment of the House was moved on Thursday, 17th, ~~re~~ the munitions strike, and it was made the occasion by Anderson for a great onslaught upon the Ministry, and myself in particular, for failing to negotiate!

" Previous to the Adjournment Motion at 8 15 p m I saw the A S E Executive with Barnes and they tried to induce me to withdraw the Munitions of War Amendment Bill, which I had no authority to do I found, however, that both they and the Strike Committee were in the Gallery I need scarcely say, as this diary witnesses, that there was little difficulty in disposing of the failing 'to negotiate' charge I took the line, of course, of supporting our decision to negotiate only through the Trade Union channels. I knew, of course, also that during that night certain of the strikers were to be arrested

" The A S E Executive met me on Friday morning and we had a long sitting, discussing the situation generally and the question of the amendments to the Bill, with the result that I wrote them a friendly letter inviting their co-operation

" Friday saw the opening of a strong Press campaign in certain sections of the Press against the Ministry of Munitions seeking to put the blame upon the Ministry for the labour troubles and a great deal of it was directed against myself, although not in the most responsible papers Late on Friday night I was rung up at home by Hurst of the Ministry, saying that the A S E Executive wanted to speak to me After some delay I got on to them at their headquarters at Peckham and found that the strikers' delegates had asked them to bring them to see me and also to use their good offices to assist those arrested and bail them out On Saturday morning when I got in I found that the P M had called a meeting at No. 10 of Henderson, Hodge and myself on the general question On hearing that I was meeting the A.S.E they adjourned it until four o'clock in the afternoon.

" At first, the meeting with the A S E and strike delegates opened unpromisingly It turned out, however, that there was a misunderstanding between them and, after we had left the room for a few minutes to leave them to themselves, we came back to find things much smoother. For two hours or more they freely stated their grievances and I dealt with them sympathetically. Afterwards they agreed to leave the whole matter in the hands of the executive to negotiate with me. The executive was as anxious as I was to get the matter settled up and I am glad to say by 2.30 or there-

abouts we had agreed on an outline of a settlement and had it all typed, signed and settled by the time of the meeting at No. 10 in the afternoon. The substance of it was that they would discuss the Bill with us, that we would arrest no more men and the strike committee would advise the men to go back to work and the executive would do the same.

"The agreement was confirmed at the postponed meeting at No. 10, and we sent for the A.S.E. to come to make it quite clear that the pledge did not commit us against taking action against the men who had already been arrested. This was quite definite in the agreement, but at the request of the A.S.E. we inserted the words 'pending the trial' in the part of the agreement which deals with those arrested. I am putting a copy of the agreement in these notes as it finally left our hands. I left the paper in the Cabinet Room, as I was assured that the people there would see to getting it published. I went away feeling a good deal happier in mind. We all thought and congratulated ourselves that we had done a real good day's work."

In view of what will follow it is necessary to quote the preliminary statement as well as the text of the agreement itself, *printing in italics those parts which are referred to in the next chapter*. The agreement had been negotiated solely by us at the Ministry and it brought the disastrous strike to an end and led the way to emancipation from the troubles which had so needlessly been brought upon us. To those of us, however, who had done the work the sequel was quite different from what ordinary people might have anticipated.

*Preliminary Statement*

"ENGINEERS' STRIKE

"*Settlement Reached*

"A Conference was held at the Ministry of Munitions to-day between the Minister of Munitions and the Executive of the Amalgamated Society of Engineers who were accompanied by a deputation from the unofficial Strike Conference.

"The interview began with a statement by the Chairman of the Amalgamated Society of Engineers who intimated that he was there to introduce the deputation with the authority of the Executive, and that the deputation wished to lay the facts of the situation as they saw them before the Minister.

"The delegates thereupon stated the grievances of the men in respect of the abolition of the Trade Card Scheme, the Munitions of War Amendment Bill and other matters. They then withdrew and left the Executive Council and the Minister of Munitions to consult upon the situation.

"The Executive Council placed certain considerations before the Minister who stated that before replying he would be glad to know what action was proposed to be taken by the Society to arrive at a settlement of the present difficulties. The following Resolution of the unofficial Strike Conference was thereupon read—

"That we hereby request the Executive Council to attend with us at the Ministry of Munitions in order to state our case and then immediately

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return to our districts telling them we have carried our mandate and advise them to return to work leaving the matter with the Executive Council on receiving assurances of no further arrests, of no victimisation and in regard to releases.

*" Thereupon the attached Agreement was arrived at between the Minister of Munitions and the Executive Council This Agreement was subsequently ratified on behalf of the Government by the Prime Minister*

*" Arrangements have been made in accordance with the Agreement to release the men arrested on their own recognisances at the earliest possible moment."*

### TEXT OF THE AGREEMENT AS INSTRUCTED TO BE ISSUED

*" At a conference held at No. 10 Downing Street at 4 p m. the Prime Minister in the Chair, the following proposals were submitted and approved—*

*" As a result of a conference held to-day between the Minister of Munitions and the Executive Council of the Amalgamated Society of Engineers, accompanied by a deputation of the unofficial Strike Conference, and of subsequent negotiations between the Minister and the Executive Council, it has been agreed—*

*" (1) That the members of the unofficial Strike Conference should return to their districts in accordance with the Resolution of the deputation from the unofficial Strike Conference which waited upon the Executive Council, and should advise the men to return to work at once , and that a public statement should be made to this effect*

*" (2) That the members of the unofficial Strike Conference should leave the Executive Council to conduct negotiations with the Government in regard to existing differences and should use their best endeavours to secure the continuance of this practice, with a view to the avoidance of any stoppage of work in the future*

*" (3) The Executive Council will issue an instruction to the men now on strike immediately to return to work.*

*" (4) That the Government will not authorise the arrest of further men in connection with the present strike in addition to the ten men against whom warrants have been issued*

*" (5) That no further action will be taken to effect the arrest of the two men out of the ten against whom warrants have been issued who are not already in custody*

*" (6) That the Government will be prepared to suggest to the Magistrate that pending the trial of the eight men who have been arrested they should be allowed out of custody on their own recognisances to be of good behaviour*

*" (7) That there should be no victimisation in consequence of the present strike in any Government or Controlled Establishment*

*" (Signed) Christoph Addison,*

*" Minister of Munitions*

*" (Signed) J. T Brownlie,*

*" Chairman, Amalgamated*

*" Society of Engineers "*

### INSTRUCTION ISSUED BY THE ENGINEERS AS A CONSEQUENCE OF THE SETTLEMENT

*" In order to give full effect to the Agreement entered into with the Ministry of Munitions and confirmed by the Prime Minister on behalf of the*

Government, and in accordance with the Resolution of the Deputation elected by the Strike Conference, the Executive Council instruct all members who are now on strike to resume work immediately.

" On behalf of the Executive Council,

" (*Signed*) J. T. BROWNLIE,

" *Chairman*

ROBERT YOUNG,

" *General Secretary* "

## CHAPTER XI

### THE USE OF THE PRESS DURING THE WAR AND LAST DAYS AT THE MINISTRY OF MUNITIONS

The Press During the War—Some New Procedures Necessary—The Phenomenon of the "Booster"—Amazing Misuse of the Settlement with the Engineers to Attribute Credit to the Prime Minister—Campaign against the Author and the Ministry of Munitions—The Altered Documents as sent from Downing Street—The Prime Minister's Contradiction in Parliament—The Effect of the Campaign—Changes in the Government—The Author to take up Reconstruction—Munitions Estimates—Reports of the Labour Commissioners—Robertson and the Woolwich Meeting—Mills' Account—A Last Deputation—Carson's Attitude on the Change of Office—The Last Staff Meeting—Farewell to the Ministry

THE reception of the news of the settlement of the dispute with the engineers afforded a striking, although nauseous, example of a form of propaganda that attained importance during the war. Indeed, it probably eclipsed any former efforts in this direction. The use of the Press to promote personal ambitions of individual politicians is, no doubt, as old as the Press itself, but with few exceptions it had, I think, been confined within decent limits both by the Press itself and by the ordinary standards of personal conduct. Its grosser exhibitions are, however, becoming fairly well known and the reception given during the present year (1923) to two or three attempts at the puffing of individual politicians shows that it is calculated in the course of time to defeat itself. Human nature, however, being what it is, the casual reader of a newspaper is more interested in news which has a personal character than in the discussion and examination of public questions on their own merits. This fact, together with the ownership of a large number of newspapers by a few big proprietors, and the consequent destruction of that personal pride in the tradition and conduct of individual newspapers that formerly characterised the majority of them, has done much to make the use of newspapers for personal and propaganda purposes easier than it was before.

During the war the use of the Press by Government developed in an extraordinary degree. In some respects this was unavoid-



able and in others it marked the development of a system of communication that is right and useful at any time. Unfortunately there was grafted upon it a system of personal advertisement which, so far as I know, was previously absent from British political life except to an insignificant extent.

During the war the ordinary channels by which news might be obtained were closed, so that agencies had to be created by which it might be communicated. In most departments, therefore, men were set apart whose duty it was to see the representatives of the Press and give them information in a reliable form as to what was happening, and it was the business of these intelligence officers to keep in touch with what was current in the department and to ascertain from the Secretary or from the principal officers what might be communicated. It was a better system than the issue from time to time of dull statements in strict official language, and it had a further advantage of securing that correct statements were issued and not the half-truths which might otherwise only have been obtainable by the Press representatives. When important matters arose, most of us, I think, had interviews with Press representatives ourselves, generally at a meeting specially called for the purpose and at which, after the Minister had made his statement, he submitted himself to cross-examination. On several of these occasions I remember discussing with responsible representatives of the Press matters of a confidential nature, and I do not think that I can recall any occasion when confidential communications were either directly or indirectly disclosed. Lord Rhondda perhaps used this method more frankly and freely than anyone else, but I am quite sure he never used it for the purpose of advertising Lord Rhondda, nor did he issue statements that were in any way misleading. It must be an advantage to the Press that there should be some responsible man in a department to whom they can go for information instead of hanging about the corridors of offices and picking up stray odds and ends. This system, like every other, depends for its success upon the men who work it, but if properly handled it serves a useful public purpose. With some Ministers, however, it developed into the employment of what Milner used to call "boosters," and an altogether silly and poisonous system it was. All sorts of tit-bits of personal and domestic happenings used to be served up, and often very cleverly too. Many of them provided entertainment and did no particular harm, although no one could pretend that they were either dignified or useful. It is easy to pass from the advertisement of a man to the suggestion of comparisons between him and

others, to the depreciation of the others. It did no harm, for instance, that the Prime Minister should be photographed in his garden planting potatoes, but excessive inspired adulation of him was calculated to defeat its own ends, as, indeed, it did in the long run. But when it took the form of attributing to him achievements to which he had no claim and contrasting other public men, including his own colleagues, unfavourably with himself, it became dangerous. This kind of thing is sure to be found out in the long run, and then only provokes distrust.

A cleverly conducted Press Section came to be connected with the Prime Minister's entourage in No. 10 Downing Street, and as a channel for the communication of authoritative information it was constantly of considerable use. Sir William Sutherland was its Chief, and certainly no man ever served his master with more assiduity and readiness of resource than he did. He was a great believer in emphasising the personal side in politics, and I remember on more than one occasion to have differed with him as to the wisdom of its use as exemplified, for example, in the title of the "Lloyd George" Magazine. You cannot found a political party upon a name, however eminent and meritorious; it can only be founded upon certain principles, and a good many times I pointed out to him that, however loyal we might be to our Chief, there could be no escape from the fact that a statement of principles and a body of policy were essential, and that if these were not forthcoming no lasting good would come of it. What particular persons were responsible for some of the more striking exhibitions of Press advertisement that were allowed to grow up around Lloyd George, I do not know, but no manifestation of them was worse than that which accompanied the settlement of the engineers' strike in May, 1916, or had a more unfortunate, nor, so far as I personally was concerned, a more disheartening effect.

For some time previous to this settlement there had been appearing in certain sections of the Press suggestions that the trouble was of our creating at Munitions, and in particular that I myself had had a good share in it, notwithstanding that the whole dispute had been about conditions of recruiting and exemption that were not primarily our concern and which we had not originated.

An extract from my diary account of the events as written up on May 25, in continuation of the extract already given, explains what happened on the Sunday and Monday, following the settlement of Saturday, May 19—

" . . . Little did I calculate upon how the matter was to be represented. Not that I myself am specially anxious to get credit publicly, but it was necessary that it should be clear, both for the confidence of our staff and munition workers generally, as to what had happened. It was the fact that we ourselves at the Ministry had negotiated the whole settlement and had secured what is, I hope, a healthy understanding . . . To my absolute horror, I found on Sunday that the whole thing was represented in the papers to the effect that the P.M. . . . had had to step in and clear up our mess ; that I had made a hopeless muddle of it and that he had had to come in and do the job at the eleventh hour . . . A more monstrous perversion of the facts it is impossible to imagine, and I confess that my feelings on the subject were as bitter as they have ever been in connection with any public incident. Coming to the Office on Monday morning, I was met by Kellaway, Kent and the rest of them in an absolute fume of indignation . . . I need scarcely say that the first thing I did, even before coming to the Office, was to go to L.G. and have the matter out and set on foot enquiries as to how this had happened . . .

There had been deliberately cut out from the agreement the phrases which showed how the settlement had really been arrived at. The fury of the men in the Office was beyond description . . . Nothing could have been more loyal and splendid than their attitude. Their disgust was immeasurable "

At the conclusion of the meeting with the engineers on the Saturday at No. 10 Downing Street, the agreement had been left on the table with the assurance that it would be communicated to the Press by the officials there, for it was of the utmost importance that the details of the agreement and the covering instruction of the Engineers' Executive should be given the widest possible publicity on Sunday so as to get the men back to work on Monday. At our interview on Monday morning, Lloyd George expressed his amazement and disgust at the form that the communications had taken, and his determination to find out who had been responsible for it. I discussed the matter with Bonar Law, and he and I both insisted upon the importance of Lloyd George himself making a statement upon the subject in Parliament that afternoon. During the course of the day my Secretaries obtained from the Press Bureau the actual documents that had been sent across for communication to the newspapers, and they revealed the omissions and substitutions that had been effected in the documents as agreed between myself and the Amalgamated Society of Engineers. On the basis of these falsified documents picturesque accounts had been founded of the muddle we had made of things at the Ministry of Munitions, and of how, at the eleventh hour, a settlement had been reached at No. 10 Downing Street, by the interposition of the Prime Minister. There was no mistake as to the handwriting of those responsible for the alterations, although the authority for making them was not revealed.

The concluding paragraph at the end of the preliminary statement had been *omitted*. It read as follows (*italics in previous chapter*)—

(1) " Thereupon the attached agreement was arrived at between the Minister of Munitions and the Executive Council. This agreement was subsequently ratified on behalf of the Government by the Prime Minister "

And this had been substituted for it—

(2) " Subsequently there was a Conference at 10 Downing Street, at which the Prime Minister presided and a settlement was arrived at "

The two sentences preceding the terms of the agreement itself had also been *omitted*. They were as follows (*italics in previous chapter*)—

(3) " At a Conference held at No 10 Downing Street, at 4 p m , the Prime Minister in the chair, the following proposals were submitted and approved—

" As a result of a Conference held to-day between the Minister of Munitions and the Executive Council of the Amalgamated Society of Engineers, accompanied by a deputation of the unofficial Strike Conference, and of subsequent negotiations between the Minister and the Executive Council, it has been agreed . . "

In substitution of the above sentences the following paragraph had been inserted—

(4) " After a meeting at the Ministry of Munitions between the Minister of Munitions and Mr Henderson, and the Executive Council of the Amalgamated Society of Engineers, who were accompanied by a deputation of the unofficial Strike Conference, a Conference with the Executive Council of the Amalgamated Society of Engineers was held at No 10 Downing Street, this afternoon at 4 p m The Prime Minister presided, and was accompanied by Mr Henderson, the Minister of Munitions, and the Minister of Labour "

Then followed the agreement without alteration.

Finally, the signatures of Mr Brownlie and myself at the bottom of the agreement were omitted, so that the documents, as a whole, indicated that the sequence of events had been as follows—

That a Conference had been held between the Minister of Munitions and the Executive of the Amalgamated Society of Engineers

That subsequent to this there had been a Conference at No 10 Downing Street, at which the Prime Minister had presided and at which a settlement had been arrived at.

In order to make this watertight, the two paragraphs preceding the agreement itself had been omitted and the paragraph quoted (No. 4) had been inserted in their place.

These alterations, however, would not have sufficed to make

the falsification consistent had not Mr. Brownlie's signature and mine been removed from the agreement as published

Far and wide throughout the land it had been represented on the Sunday that we at Munitions were an incompetent set of bunglers, with hard and unsympathetic officers, with the result that the work of the Ministry's representatives in the thousands of engineering and other shops was made needlessly difficult. When tales of this kind are set agoing there is no catching them up. We did the best we could, and, in the afternoon in the House of Commons, in answer to an arranged Private Notice question from Mr. Tyson Wilson, the Prime Minister made a statement on the subject as follows—

*May 21, 1917*

"MR T WILSON Before the motion (for the adjournment) is withdrawn, I would like to ask the Prime Minister if he can make any statement as to the negotiations resulting in a settlement with the Amalgamated Society of Engineers, and as to the present position of affairs

"THE PRIME MINISTER I am glad to have an early opportunity of giving to the House and to the country a full statement of the negotiations and the circumstances of the settlement arrived at with the engineers. With regard to the negotiations which led up to the immediate settlement, the facts are that, on the initiative of my right hon friend, the Minister of Munitions (Dr Addison), who had been in close touch with the Amalgamated Society of Engineers, a Conference was held with the Executive Council of the Society on Friday morning. Negotiations subsequently took place between the Executive and the unofficial Strike Conference, which resulted in a request that the Executive should represent their interests and arrange for an interview with the Minister the following morning, in order to give them an opportunity of stating their case. This interview was arranged late on Friday night with my right hon friend, and he met the Executive Council with the deputation on Saturday morning. My right hon friend, the Minister of Munitions, conducted the negotiations with the Executive Council, which resulted in an agreement, and I am sure the House will join with me in congratulating my right hon friend on the result, and upon the skill with which he conducted these negotiations. The agreement was signed by my right hon friend and the Chairman of the Executive Council, and was made subject to the concurrence of the Government. The agreement was subsequently brought to me in the afternoon by my right hon friend, and I confirmed it on behalf of the Government, my right hon friends, the Member for Barnard Castle (Mr A Henderson), the Minister of Labour (Mr Hodge), and the Executive Council of the Amalgamated Society of Engineers, being present. I may explain, with regard to the position of the country this morning, that it appears on the whole that there has been a resumption of work. In certain places, notably Leeds and Sheffield, further meetings have been held to decide whether the men will return, in view of the agreement arrived at in London. At Barrow a portion of the men are still on strike. That is the position at the present moment"<sup>1</sup>

<sup>1</sup> *Parliamentary Debates*, Vol XCIII, Cols. 2025 and 2026

The effect of the case as originally represented did us a great deal of harm for a long time in provoking a loss of confidence in the goodwill and capacity of our men, because the contradiction of the previous reports, as contained in the Prime Minister's answer of Monday, May 21, obtained an insignificant publicity. The incident had, in short, been used by over-enthusiastic agents to snatch credit for the Prime Minister. That in itself would have done no harm, but when it took the form of a campaign of depreciation of one of his colleagues holding an important office, it became about as poisonous as anything of this kind could possibly be. The engineers themselves were extremely disgusted at the incident, and were prepared on their own account to issue a full statement of what had taken place. It might have been gratifying to me personally, but it might have led to further acrimony. After all, we were at war and the resumption of work was the thing that mattered most. The occurrence served to evoke touching manifestations of loyalty from some of my colleagues, and in particular from Bonar Law and Henderson in the first instance, who did their best to sift the matter, and later on, from Derby and Long, who made it their business to inform editors of important newspapers as to what the course of events had really been, as the editors themselves were afterwards good enough to tell me.

The campaign did not die down all at once, and, indeed, a week later, through the good offices of Mr Caird, who was working in the Munitions Department, an article that had been prepared for an important Sunday paper in the strain of those of May 20 was withdrawn, as he told me afterwards, because he had been asked to attend a conference where the matter was discussed, and as he was able to inform those present of the actual facts of the case. A friendly article was substituted. All sorts of rumours were afloat and passed on to me by different colleagues and others as to the inspiration of the campaign, but the documentary evidence in our possession was sufficiently definite and nothing was to be gained by probing the business any further. A natural feeling of indignation prompted one to throw up one's office in disgust, but the Prime Minister had made a statement of the facts in the House, I rejoiced in my work, and, as will be related directly, had already, by agreement with him, arranged to take up Reconstruction as soon as a convenient opportunity arose. The final reference to the topic in my diary notes is as follows—

“A good many of the papers have been pretty hostile trying to blame me for the labour troubles. Some day I dare say I will be able to speak out

and say that the Man-Power Board with its dilution scheme and the Trade Card Scheme (both of which I protested against vigorously at the time, as all my colleagues know), are the two big messes that I have had to try and clean up and have had to bear all the odium that was bound to fall on whoever had the job to do. This is the kind of thing, I suppose, that happens in public life, so I must not worry about it."

The first considerable group of changes in Lloyd George's first administration took place during the summer of 1917, and it may be convenient at this point to refer to that affecting myself and to bid farewell to the work of the Ministry of Munitions.

Transfer to the Ministry of Reconstruction, in the light of the preceding record, could scarcely be gratifying to my personal feelings, if such considerations were entitled to any weight, but I was a freely consenting party all through. Lloyd George and I had had a good many talks over future policy and political organisation, and I had agreed to take charge of such matters when a convenient opportunity offered.

I was his guest at Walton, on May 29, during the week following the unfortunate episode in connection with the settlement of the engineers' strike, and at the suggestion, so he told me, of Lord Milner, the proposal then was that I should be appointed to the War Cabinet in order to relieve Milner of some of the questions that were being referred to him and to have time to give thought to questions of domestic policy. I expressed my appreciation of the offer but was naturally reluctant to seem to leave Munitions under a cloud. The notes of this conversation show that Lloyd George undertook to do what he could to see that such an impression was not associated with the change, but he was very emphatic that he wanted my mind free for the purposes already indicated. This particular proposal, as I found afterwards, was interfered with by a statement of what was in contemplation that appeared in *The Times* newspaper on Saturday, June 2. The announcement apparently set certain cross-currents going that made difficulties. Bonar Law told me of them with much kindness whilst expressing their continued desire that the appointment should be made. On Sunday, June 3, I was again a guest at Walton, and the material note of it, so far as I personally was concerned, was as follows—

"L.G. agreed with me that it would be impossible for me to go from the Ministry until the whole business had blown over. He repeated all the same that he must have me free to give my thoughts to future policy and the consolidation of the party position. He agreed to do all he could to damp down the Press campaign, and he said that we must have the Muni-

tions Estimates as soon as possible in order to counteract the effect of what had been said lately, and suggested that use should be made of the opportunity to give a fairly full account of the achievements of the Ministry "

With this understanding that I should take up Reconstruction problems as soon as possible, whether as a member of the War Cabinet or otherwise, it was a great surprise to me to be asked to be Food Controller on the following Friday, June 8, as already recorded, especially as for some time previously I had been acting as chairman of a small committee charged with the survey of questions relating to political organisation. A much better appointment was made in Rhondda, and the incident passed

The original arrangement was adhered to and confirmed at a further talk that we had on June 18, and I was to take advantage of the presentation of the Ministry of Munitions Estimates to make a comprehensive review of the work of the Ministry as having been intimately concerned from the beginning, and thereafter the change of appointments would be made when other things were favourable. These "other things" related not to myself, but to changes which the Prime Minister was anxious to effect and which were attended with some difficulty, as will be related, but there was every reason for making the more important of them together rather than piecemeal.

The Estimates Speech of Thursday, June 28, was subsequently reprinted as a pamphlet<sup>1</sup>. It had a large sale, and contains, I think, a fairly comprehensive survey of what had been done at the Ministry up to that time.

Now that the strikes were over and men were generally back at work and things were proceeding fairly smoothly, it was necessary to try and arrive at some understanding with the employers and the trade unions as to the amendments that should be introduced into the Munitions of War Amendment Act Bill then before the House with regard to the safeguards and conditions that ought to accompany the introduction of the practice of dilution on private work. I had prolonged conferences during June with the Amalgamated Society of Engineers, and good progress was made although they had as little liking as ever for the principle of the proposal. It is not necessary to particularise the highly technical and detailed provisions of the Bill for the consideration of which I finally secured the appointment of a Joint Committee of the employers and of the trade unionists. The more we examined the proposal, in view of the continual wide extensions

<sup>1</sup> *British Workshops and the War*. T. Fisher Unwin, Ltd. Price three-pence.



of war-work, the less confident we became as to the number of recruits that it would set free, so that when Churchill afterwards came to the Ministry of Munitions with a clear field before him, I think he did quite right in insisting on dropping the proposal out of the Bill

A good many of us, and certainly I myself, received much comfort towards the end of June from the reports of the Special Commissions that had been set up to enquire into the causes of the industrial unrest. The following note of June 26 is sufficient to dispose of that matter—

" We had a good many reports in on the labour conditions, and I am comforted to find that, so far as the Ministry of Munitions is concerned, it appears to be regarded that the administration of the Munitions Act is one of the minor causes of discontent Recruiting, prices, and delays in arbitration come easily first, and then naturally the serious misgivings of skilled workers as to what is to happen and the lack of confidence in Government promises I am afraid that there is a good deal of justification for this last, seeing that we have had to withdraw the miserable Trade Card Scheme and are now compelled to ask for dilution on private work which in former times it was promised would not be asked for "

Before concluding the Munitions story and describing my parting from that beloved department, I must refer to an entertaining, but rather unfortunate, meeting at Woolwich on July 13, attended by Field-Marshal Robertson and myself I blamed myself afterwards for submitting Robertson to so uncomfortable an ordeal, but I had not been warned that the meeting was likely to be stormy He had expressed his willingness, now that things had settled down, to address a meeting of trade unionists, and I had often been requested to hold a meeting in Woolwich Robertson had done so remarkably well in our private interviews with the delegates that I welcomed his friendly disposition He therefore consented to preside and to make a speech as chairman I do not know that I can improve upon the story of what was by far the most boisterous meeting I ever attended than by quoting from the note that was made of it the following day, Saturday, July 14—In explanation of my invitation of Mr Mills to take the chair after Robertson left, it should be explained that the interjections suggested that the uproar was partly due to local grievances of which I knew nothing, and, in particular, that the men felt affronted at what they regarded as slights that had been put upon their own representatives—the shop stewards It did not therefore take me a moment to decide to go on with the proceedings if possible and get to the bottom of the trouble. The diary account is as follows—

"We went down to Woolwich to the Plumstead Baths at eight o'clock. There was a fine row going on inside and we were told that things were likely to be lively. Robertson was a bit late. When we went on to the platform it was certain that things were going to be noisy. There was a crowd of between 1,500 and 2,000 men, and, judging from their expressions, they intended to have a night out at the expense of the Minister of Munitions, although they were good-humoured enough. Robertson got started with his speech, but was subjected to a good deal of interruption . . . I am sorry to say he got more and more irritated with the repeated interruptions, most of which were quite good-natured. However, finally, he lost his patience. He turned to me and said, 'I am not going to stand this any longer,' picked up his notes, walked off the platform and left the meeting. It was a very awkward situation. A vacant chair and a big meeting of men who were laughing, and cheering, not knowing whether to be amused or annoyed at Robertson's departure. There was a considerable babble for a time, but I soon found from the interruptions that there was some grievance about the shop stewards not being on the platform. I therefore immediately said that I should welcome them on to the platform and invited them to come. The Executive Committee of the shop stewards then sorted themselves out from the meeting and came in a body on to the platform. I got hold of a man who was the chairman of the shop stewards and promptly asked him to take the chair. He proved to be a very good man, of the name of Mills,<sup>1</sup> and he said to me that he could try and get the meeting quiet. He obtained a thick stick from somebody and by hammering on the table reduced the meeting to quietness, and put it to the meeting that they should give me a quiet hearing. They put this to the vote and it was carried unanimously. It was a lively, but good-humoured, meeting, and I managed to speak fully and frankly, and afterwards answered hosts of questions, of which a large number had been sent up, being relieved by Kellaway after about an hour of cross-examination, as I was getting tired. As a matter of fact, the men gave me a great demonstration at the finish, and, I think, appreciated, at all events, that I had faced the music. A large number crowded round me saying that they wanted to shake hands. . . and our own people were rejoiced at such a termination."

A note on the subsequent proceedings, made a few days later, says—

"On Saturday morning, to my infinite disgust . . . Piggott telephoned to me about 10.30 a.m. to say that he had found out that Robertson had gone back to the War Office and had given instructions to the Censor that no report of the meeting was to be published. This, of course, was impossible, and the furore it gave rise to in the Press may best be seen in the Press at that time. As one naturally expected, it has done us harm by the impression getting abroad at the start that we had had something to do with the suppression of the reports. During Saturday, I insisted that the reports must be issued—at all events, as far as my share was concerned—and a good many of the papers put it in. During the course of the week the truth filtered out, and I think that the interview of Mills with the *Daily Express* gives a faithful account of what has happened except that I should have said the number of interrupters was nearer a hundred than a score."

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<sup>1</sup> Mr. J. E. Mills, now Member of Parliament for Dartford.

"*Daily Express*," London, Saturday, July 21, 1917.

### "TRUTH ABOUT WOOLWICH.

#### "*The grievances*

"The publication in the *Daily Express* yesterday of the story of what happened at the meeting of Woolwich engineers was greeted with much satisfaction by the Arsenal workers.

"Enquiries made by a *Daily Express* representative yesterday show that out of the 2,000 men who were present the number of interrupters was not more than a score—although they succeeded in creating a good deal of noise—and that there was no hostility either to General Sir William Robertson or to Dr Addison.

"The interruptions were in the nature of a letting-off of steam, and the meeting ended with loud cheers for the Minister of Munitions.

"It is clear that the engineers had one keen local grievance and two general grievances. The local grievance was this. For five years the shop stewards have discussed shop grievances with the head of the Arsenal. Some time ago Sir Vincent Raven left the Arsenal, and his place as chief superintendent was taken by a military officer. This change was followed by the reference of grievances to the A S E headquarters—eliminating the shop stewards. The men put this down to the Ministry of Munitions.

"On the question of dilution in private work there seems still to be a serious difference. The engineers say that they remain absolutely opposed to this course, and they allege that the great need for raw material for Government work makes dilution on private work unnecessary and 'impossible'.

#### "CAUSES OF THE UPROAR

"The men's views were explained to a *Daily Express* representative by Mr Mills, the chairman of the Woolwich Engineers' Shop Stewards' Executive Committee.

"'Speaking after the event,' said Mr Mills, 'I would say that the whole cause of the uproar at Plumstead, which has aroused so much comment in the Press, was due to three causes—

"'1 The fierce resentment of the engineers at the tactless and loose statement of Mr Lloyd George that the recent strike had caused a stoppage of aeroplanes.

"'2 The action of some minor official at the Ministry of Munitions, who had referred local matters—which for many years had been dealt with direct by the shop stewards—to the head office of the A S E, who are already over-worked in these abnormal times.

"'3 The determination of the whole of the skilled unions that on no account would they allow further dilution of the trade, as applied to private work.

"'These can be considered as the main points which led to disorder, to which must be added the fact that only twenty-four hours' notice of the meeting had been given, which made it impossible to organise an attendance. It is therefore significant of the deep interest the workmen are taking in this question that so many men attended at such short notice.

"'I am glad the fact has been established that General Sir William Robertson was present, and I should say the official reason given for the suppression of this item displays crass ignorance of the situation. It is true to say that when the speakers took the platform "The Red Flag" was sung very heartily, but when the General rose to speak he had a splendid reception.

## " 'DILUTION.

" 'With all respect to him, it must be emphasised that on such a controversial topic as dilution of labour the most popular speaker must expect dissension in such a great assembly, and there were several interjections, which were met by loud cries of " Order ! " from all the embryo chairmen in the meeting, all of which tended to make the confusion still worse.

" 'I suppose the General failed accurately to "sense" the feeling of the meeting, and thought it was hostile to him. Such was not the case, and when later in the proceedings I was asked to take his place, my first point was our regret that he should have left the meeting as he did, and the meeting unanimously endorsed that opinion

" 'Dr Addison then addressed a keenly critical audience, who seemed to analyse every word, and with whom he was perfectly straightforward. He evidently was unaware of the friction in the Arsenal, and it must be said of him that he has lost no time in meeting our shop stewards' executive, and restoring the established practice of local autonomy

" 'He was overwhelmed with questions, mainly concerning the question of dilution, and, of course, the much-discussed question of aerial escorts for Royalties

" 'He evinced a keen desire to get at the bottom of each question, and deserved the ovation he received at the finish for having faced the music.' "

This was the last public meeting I attended as Minister of Munitions, and the last deputation I received in that capacity ought to be recorded if only from the contrast that it provided to the stormy meeting at Woolwich. The announcement of Churchill's appointment as my successor had been made the day before, but I was still carrying on pending his final appointment—

" There was an amusing deputation of Peers and Commoners on Thursday afternoon, July 19, on the provision of cartridges for sport. Balfour of Burleigh was very restive and angry about it. I gave them the actual figures for lead and said that, so far as we were concerned, it was a matter of indifference who had the cartridges already made, but that we could not spare a single ounce of lead more. As a matter of fact, there are 50,000,000 cartridges in the country, somewhere, and they must be made to go round. This represents about half our home annual consumption. Finally, it was arranged that Harcourt and Tennant should meet some of our officers, War Office and Food Controller people the next morning and try to arrange a settlement, which I am glad to say they finally did."

Tuesday, July 17, 1917, was a day long foreseen but no less unhappy for all that—

" After the War Cabinet in the morning, which I attended, L.G. took me aside with Bonar and said he felt he must make his Cabinet changes straightaway, and that he wanted to put Montagu to India and bring Carson into the War Cabinet, making Geddes First Lord. He wanted me to take up Reconstruction straightaway. I said that, provided I got the necessary powers, I would take the job on.

" In the afternoon, after a conference with Carson on mines, he asked me to stay and we had a talk together. Carson told me that L.G. had

## CHAPTER XII

### POLITICS IN 1917

#### LIBERAL DISUNION. CABINET CHANGES BUSINESS MEN IN GOVERNMENT

The Difficulties of Government in 1917—Divisions amongst Liberals—Hopes of Reconciliation—The Incident of the Supreme War Council—Primrose—Guest—Breakfasts of Liberal Ministers—Their Value for Lloyd George—Future Programmes—Meetings between Lloyd George, Milner and Addison—Ministerial Changes—The Return of Churchill—Cowdray at the Air Board—The Futility of Rothermere—Resignation of Austen Chamberlain—Montagu Appointed—Business Men in Government—Ashfield at the Board of Trade—Work of Eric Geddes—Lord Weir

**T**HE year 1917 was a period of unspeakable difficulty in the business of government. Apart entirely from the great involvements of the war itself in so many countries overseas, some fresh and perplexing problem in domestic affairs presented itself every week, sometimes almost daily. Food shortage, prices, shipping, submarine losses, air-raids, recruiting, labour troubles and many more forced themselves to the front, first in one aspect, then in another, and they called out the very best in all concerned from the Cabinet downwards. Every Minister that showed competence had task after task piled on to him, and especially some members of the War Cabinet. Whatever might be said for the infrequent Cabinet meetings of old days, the conduct of the war and of home government in 1917 could not have been carried on without frequent conferences and without considerable delegation of responsibility to individual Ministers. Lloyd George's position and authority as Prime Minister also were much strengthened during this time.

This year was characterised by a great stride forward in the extension of the franchise that followed from the Speaker's conference. It was marked also by another unfortunate failure to arrive at agreement over Ireland, and by a gradual accentuation of the differences amongst Liberals that had arisen over the resignation of Asquith and the formation of Lloyd George's Government in December, 1916.

In the concluding chapter of the first volume I gave an account of the circumstances attending the formation of Lloyd George's Government. I was not aware then, and have not learnt since, of any other material facts as to what transpired between Lloyd George and Asquith and the other Liberal Members of the administration. The degree of bitterness, however, that was displayed by many of the followers of Asquith during 1917 can scarcely be described. I was assailed myself scores of times by different men, but I was never able to get hold of any allegations as to what had transpired that were sufficient to account for the intense bitterness. During the early months of 1917 a great many of us who were supporting Lloyd George's Government were anxious to do what we could to heal the breach, or at all events to prevent its being further widened, and during the time that Neil Primrose held the office of Chief Whip in the early months of 1917 we deliberately refrained from taking steps to promote any form of organisation for that section of the Liberals that were supporting the Government. We all heartily concurred in the policy of marking time. Primrose had only taken his appointment under great pressure, and all the time he kept saying that he must get back to the fighting line. Towards the end of April he insisted on leaving us, and, with a spirit as fine as that of any crusader of old, he was destined to take a final and glorious part in Allenby's superb campaign in Palestine. The sincere tributes that Lloyd George and Asquith paid to him in the House of Commons, on November 19, when we heard of his death, were complete and faithful testimonies to the regard in which he was held by all sections of Liberals.

His successor, the Right Hon F E Guest, was no less anxious than Primrose that we should not be committed to any step calculated to perpetuate Liberal disunion. The late Lord Murray, Master of Elibank, also, who had been the old Liberal Whip and who had been helping us in labour questions at the Ministry of Munitions, was very active during April and May in trying to promote some arrangement that would lead to a reuniting of the Liberal Members.

At a lunch he and I had with Lloyd George on May 23, he expressed himself as satisfied that things were now clear for getting Asquith back into the administration and healing the breach. Nothing came of it, however, and I confess that I was never satisfied that there were sufficient grounds for his confidence. At all events, the hostility of the Whips of Asquith's Party was no less pronounced and the parliamentary incidents connected with the formation of the Supreme Allied Council in November did a good deal to consolidate the unfortunate differences.

There was not then, or afterwards, any substantial difference on policy. The whole thing was really personal, and the debate in Parliament on November 19 was the only occasion that I know of during that year on which Asquith himself gave any public support to what we used to describe as the Anti-Lloyd George movement. All through this business, although it was evident that he must have felt exceedingly strongly over certain personal incidents of which I have no knowledge, Asquith's conduct furnished, I think, a model for British public life, and I thought at the time, and do still, that he must have been persuaded against his better judgment to intervene on what looked like an attack prompted, in some respects, by certain aggrieved members of the General Staff at home. The debate related to the establishment of a Supreme Allied Council, and the grounds of the opposition were astonishingly trivial. The need for a working and authoritative body that should be able to secure a much more effective co-ordination of war effort than had been the case hitherto was overwhelmingly clear. Lloyd George's speech in Paris a few days previously had been made deliberately in order to call attention to the necessity, and, so far from being a spontaneous explosion, the conditions of the proposed Inter-Allied co-operation had been typed in London and agreed upon by the Cabinet before he left for France. It was true that the capture of Baghdad and the campaign in Palestine marked the beginning of the end so far as the Turks were concerned, but the withdrawal of the Russians from the war and the disaster on the Italian Front that had only been arrested in the nick of time by the British Divisions, were surely evidences enough of the need for unification of the Allied effort. It was essential to success. Much more so to the avoidance of disaster. Some assistance to the opposition case must have been given by members of the Staff at home. But it was a short-sighted opposition, and it is difficult to understand how so petty a thing could have received countenance from a man like Asquith.

This note of November 13 was fairly prophetic of what followed on the 19th—

"A great sensation has been caused to-day by L G's speech in Paris on the Inter-Allied Council, especially his references to some of our abortive or not sufficiently successful attacks in France. There is no doubt that the General Staff will be up in arms about it and will use all their influence against L G.

"Asquith gave notice of his intention to put a question to L G to-morrow, and generally the feeling was that a first-class political crisis would arise. There can be no case for opposing the Allied Council. If Asquith decides to do this he will make a capital error. L G went out of his way to make the speech in order to pull people up and emphasise the necessity for the Inter-Allied Council."

No sort of a case against a Supreme War Council was made in debate in Parliament on the 19th, and the incident is only referred to in this connection because it served to intensify the division of Liberals into Asquithian and Lloyd George sections, and a rapprochement seemed as far away at the end of 1917 as it had been at the beginning.

The differences amongst Liberals derived additional importance from the fact that Parliament was prolonging its life from year to year, and no one had any confidence as to its continuance. It was natural, therefore, that the question as to what would be the position of Liberals supporting the Government in the event of a dissolution soon began to assert itself, and I find that in notes of many private conversations with Lloyd George from March onwards there is an increasing emphasis on my part of the necessity of creating some form of organisation which would represent those of us who had adhered to him, and the formulation so far as possible of some body of policy.

During the month of April it appeared for a short time as if the Irish Members might decline to allow the Bill prolonging the life of Parliament to be renewed, and unless we were to be exposed to the unedifying spectacle of a scramble between Asquithian Liberal and Conservative candidates, with the Liberal supporters of the Government left in the air, some machinery, local and central, to represent them, needed to be created. The position is sufficiently indicated in the concluding note of a conversation between Lloyd George and myself on Easter Monday—

*April 12*

"Of course, as I pointed out, the country will be against an election unless there is a good case shown. The position *vis-à-vis* the Tories essentially depends upon our being able to place a good number of candidates in the field, and this cannot be done without a machine in working order. L.G. asked me to take charge of a Committee to consider the matter, with Illingworth and two or three others upon it."

Shortly before this, in order to keep in touch with his own supporters, Lloyd George had established a system of conferences with his Liberal and Labour colleagues both in senior and junior offices, and this system afterwards became regularised under Guest's Chief Whipship. For a long time we used to meet on appointed Wednesdays for breakfast at his house. Afterwards these very delightful gatherings were held in the Whip's Offices at No. 11 Downing Street. In a similar manner, on the initiative of Derby, corresponding meetings of the Prime Minister with Conservative Ministers were held. How long the meetings with our Con-



servative colleagues continued I do not know, as I was not in touch with them, but a note of one of them that was held in October at which I myself was a guest, showed that it helped to tide us over some Party difficulties that were threatening the Franchise Bill.

It was the custom at the Liberal breakfasts for Lloyd George to make a statement on the war position and on anything urgent that had arisen, and for this to be followed by a frank discussion of current events and problems. These talks were exceedingly helpful in keeping Lloyd George in touch with the feelings of his Liberal supporters, and Guest was in his element as a master of the ceremonies. Every man present was encouraged to say frankly what he thought about things, and they did so. Food prices, distribution and food queues, franchise, parliamentary and political questions of all kinds, as they cropped up, were discussed with a greater frankness and more usefully than they often were in the Cabinet, and helped to keep us acquainted at first-hand with one another's problems. By these means, also, Lloyd George, who became more and more involved in war issues *per se*, must have been kept better informed than he otherwise could have been of the real nature of many a troublesome domestic difficulty. For my part, after the transfer to the Ministry of Reconstruction, as I began to have more and more to do with the formulation of future policy, these gatherings were immensely useful. It was perhaps inevitable during 1918, with its succession of war crises from the spring onwards and with so much work at home and abroad being put into the consideration of issues that must arise at a Peace Conference, that Lloyd George should be unable to meet his colleagues as frequently as before. It certainly deprived him of an opportunity of hearing the details of future policy fully thrashed out, and I always attributed the failure to obtain a clear understanding of future issues that he displayed in the latter part of 1918 to the falling-off in the number of these most valuable conferences. The story of his failure to make himself fully informed of what was involved in home policy will appear, to some extent, in the latest stages of this narrative, but the results of it have been very far-reaching, and they have been as unfortunate for Lloyd George himself as they have been for some others, myself included.

Returning, however, to the events of 1917. At the end of April I was appointed to the chairmanship of a small committee to deal with Party organisation and the formulation of future policy. At the beginning of May, Guest was appointed Chief Whip, and the first of his delightful breakfasts was on May 23. It was on that occasion that Lloyd George suggested to Devonport

the desirability of limiting the price of the loaf at the expense of the State. It seemed inevitable to most of us at the time, but Devonport was unwilling to acquiesce in the proposal, for the reasons already stated <sup>1</sup>

Guest's position as Chief Whip was extraordinarily difficult, and he was undeservedly blamed afterwards for what happened at the election in December, 1918. At that time, however, and during the whole course of 1917, he refrained from taking any effective steps for the promotion of Liberal candidatures because he was resolved to interpose nothing in the way of a Liberal reunion. I myself was not altogether of so peacemaking a frame of mind, although as late as 1918 I was an active participant in a renewed effort to promote reunion. The fact was that as the year went on and as the main essentials of an immediate post-war programme began to emerge—provided victory could be obtained—it became certain that upon the most of them there would be such a measure of common agreement that for reconstruction purposes the post-war period might present a golden opportunity if it were wisely used. In the absence, therefore, of knowing what the future might have in store, I was continually urging the necessity for the establishment of our own campaigning machinery, but the process of marking time was pursued.

So far as policy was concerned, the position at the close of the year (1917) is sufficiently indicated in the notes of two meetings with Lloyd George and Milner—

*October 12.*

"Dinner party L G, Milner, Philip Carr and C A. Painlevé came over from France at the beginning of last week and was in a very depressed condition. We have a few intrigues and schemings over here, but we are better off than they are in France in that respect. On the whole, they are very downhearted.

"I have been urging vehemently for some time that we should get together a record of the Government's achievements with a view of fighting the pettifogging intrigues that are continually going on. The development of our home resources, the use of shipping and many others are good topics. It was arranged that Philip Carr and Adams should come round the next day and get a statement prepared in consultation with myself. We then discussed the post-war reconstruction programme, and it was evident that, except on the tariff issue, there would be no difficulty in arriving at an agreement. I was instructed to get a preliminary draft into shape, and there was a general consensus of opinion as to the line to be taken over the acquisition of land, soldier settlement, housing, etc."

*Friday, December 21.*

"Dinner at Waldorf Astor's, with L G, Milner, Astor and one or two others. After dinner we had a long and earnest talk around the fire upon

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<sup>1</sup> Chap. V, page 59

the steps which ought to be taken in connection, first, with the formulation of policy, and, second, in connection with political organisation, how, when, etc., aims after peace, especially the possibility of a general preliminary understanding with America . . . Reading is going out to America as Envoy Extraordinary, or with some such magnificent title, to be the supreme head of our representation in the United States. He is the man for the job . . . We discussed the future programme, which is my special job, in general terms, and I think there should be no difficulty in getting a good comprehensive programme that would carry a large mass of the Tory Party, as well as Liberals and Labour. The question has got to be discussed in view of the possibility of an election during the war. With Parliament carrying on from year to year as it is, this issue has to be faced. The dominant question of any such election, of course, would be the continuation of the war and the record of the Government in charge of it. In the other case—that is to say, in the event of a post-war election—I urged successfully that it would be impossible to meet that condition without a programme sufficiently definite. I have repeatedly pointed out to Lloyd George that it is impossible to rally Liberals or others unless they are presented with sufficiently definite proposals. You cannot make it a personal question. L.G.'s chief weakness still is that he has no organisation. Thus, again, is due to the fact that you cannot get men, and rightly, to pledge their support, or candidates either, unless they know sufficiently well what it is they are called upon to support. Until this preliminary step is taken and the ground is clear, no man can say where candidates are wanted or where they are not, nor whether a sufficiently definite arrangement can be made with different parties to support a reconstruction programme. If the thing were properly handled, we ought to be able to get a reconstruction programme which the bulk of the Unionists and the bulk of Labour as well as Liberals would support.

"So far as Milner and I were concerned, there was no substantial divergence of view as to what might be attainable. The question still is, as it has been for some time, What is going to be done about it?"

To sum up, therefore, this section of the story to the end of 1917, it may be said that both in regard to the divisions amongst Liberals and the determination of action in the constituencies, in the event of the life of Parliament not being renewed and a general election ensuing, the position was one of drift. On policy it was less unsatisfactory because a considerable common measure of agreement was emerging as to the necessity of dealing on comprehensive lines with education, land settlement, housing, afforestation and other important questions of domestic policy.

A survey of the political incidents of this period should include reference to some of the more important changes in Government offices not already referred to. The reintroduction of Churchill into Government was, I think, made possible by the report of the Dardanelles Commission and by the discussion of the subject in the House of Commons during March. There is no doubt that Churchill has been unjustly treated both at that time and since in this respect.

No one reading the report of the Commission or the debate in Parliament can fail to realise that the strategical conception was sound and that forcing the Dardanelles was a practical operation. It was spoilt by indecision and by serious mismanagement, for neither of which had Churchill any measure of responsibility. If it had been successful it would have transformed the whole character and course of the war in our favour. As it was unsuccessful, the common and dangerous appetite for finding a scapegoat was gratified by fastening the whole responsibility of the affair, both whilst he was in office and long after he left it, upon Churchill himself. I think that the man who came worst out of the discussion in the House of Commons was Asquith himself, for there was no defence for the infrequency of Cabinet meetings to consider carefully and in detail this and other important war developments. However that may be, a few days after the debate, namely, on March 23, Lloyd George expressed his desire to me to bring Winston back again in some capacity, and the suggestion he made was that he should be put in charge of Mechanical Warfare, especially tank provision. I said at once that I did not see how he could have anything to do with a section only of supply without making hopeless overlapping and many difficulties, for it was obvious that his exuberance and keenness would immediately intensify friction with groups of other important supply services, such as merchant shipbuilding, guns for merchant ships, aeroplanes and others, but I promised to explore other expedients for finding an opening in connection with mechanical warfare.

After Guest's appointment as Chief Whip, the pro-Churchill campaign became intensified. It may be said of Guest that if there was one loyalty which exceeded any other in his political efforts, it was loyalty and enthusiasm for Churchill. Some quarters were disposed to blame him for pressing it too hard, and even some of my colleagues suggested that he had had a share of responsibility for the campaign against myself, but I am quite sure that it was not so. At all events, during June, more than one of my Conservative Cabinet colleagues protested to me against the pro-Churchill campaign which they attributed to Guest, and there is no doubt that Lloyd George had a good deal of difficulty in bringing him back.

The next proposal towards the end of June was that Churchill should be appointed to the Air Board in succession to Cowdray, but this, like the former project, met with opposition from the same quarters as before according to Lloyd George's account to myself. There was no doubt a very strong body of opposition to Churchill coming back again, but Lloyd George was anxious and determined that we should again have the benefit of Churchill's irresistible enthu-

siasm, and, on the whole, I think that his suddenly appointing him to Munitions in succession to myself, as already related, was the only way of getting over the difficulty. It is much harder to kick against an accomplished fact than to prevent an undertaking being entered into

I never quite knew how or why Cowdray left the Air Board. I understood at the beginning of June from Lloyd George that Cowdray felt himself somewhat embarrassed because of the negotiations that were going on with regard to Mexican oil interests, but this did not seem to furnish a sufficient explanation. The only men who can do that are Cowdray himself or Lloyd George, and I do not propose to explore the matter further. Cowdray was a real success as President of the Air Board, which he had developed so that it had become the rallying-point and directing centre of the Air Service.

If Mr Pemberton Billing, who came into Parliament as Member for Hertford as the protagonist of the special development of the Air Service, had confined himself with moderation and persistence to that issue, he might, I think, have achieved a conspicuous success in Parliament, for the dissatisfactions which he gave voice to, in too boisterous and irregular a fashion, were the expression of real and serious defects. The Air Services at that time were nothing more than small sections of the Naval and Military Services, and were devoid of that single-mindedness of direction so essential to the development of any great enterprise. Lord Curzon, as President of the earlier Air Board, had struggled against the opposing forces of departmental influences and interests with a substantial measure of success, but the driving force behind the special development of the Air Services was public opinion based upon a clear recognition of existing defects and of the necessities of the case. In the long run, perhaps, the German air-raiders did more to force forward the development of the air service than anything else.

The appointment of Cowdray, in December, 1916, and the concentration of Aircraft Production in the Ministry of Munitions, were the first overt signs of the emergence of this branch of the service from that of scattered pieces into that of an assembled machine. Reference has been made in earlier parts of this narrative to the developments of aircraft Production, but Cowdray supplied in a singularly successful way what was needed most as the President of a separate Air Board. He was entirely free from and unprejudiced by all the previous rivalries and disputes; his business was to get the men working together on all branches of the service—designers, scientists and directors of the personnel—

and to weld them, or rather let them weld themselves by the process of working together, into one effective agency. His quiet tenacity of purpose and his clear recognition of essentials and his wise aloofness from disputes supplied what was pre-eminently necessary at that time. He had a good eye, too, for men, and in that extraordinarily tactful and capable civil servant, Sir Arthur Robinson, now First Secretary to the Ministry of Health, he had a lieutenant who supplied with a singular aptness what was most wanted. Cowdray's tenure of office was marked more than anything else by the emergence of the service from its early embarrassments and by the collection of a body of able men, both on the service and the civil sides, which provided the real surety for future development. In the general affairs of government, Cowdray took no particular share, but in the Air Department he made a noteworthy contribution to the development of war services.

Lord Rothermere became President of the Air Board after Cowdray, and was appointed in November, 1917. Subsequently he was the first Secretary of State to the Royal Air Force. His appointment was a surprise to a good many of us. Rothermere must be an able financial director of newspaper concerns, but there can be no denying that he was a conspicuous failure as a Minister of State. Of all the big men of business who came into high office during the war, Lord Devonport and Lord Rothermere seem to have made the least impression. In his previous work in connection with some sections of Army Contracts, Rothermere may have found a suitable opening for his business talents, but in the sphere of national policy, so far as any of my records go, he was completely useless. There was before us one long succession of terrible and puzzling questions—the war itself, food scarcity, queues, prices, strikes, man-power, shipping and a hundred more, and I cannot remember, nor can I find any record of his ever having made a single useful suggestion for dealing with our ever-present and perplexing national problems. His mind seemed to be a blank. Even in these later days, as a Member of the Upper Chamber, he appears to have presented a similar vacuity in regard to the solution of the problems of government. It is a strange fact—and it arouses uncomfortable feelings—that we find him in these days, through a powerful and widely read Press, proclaiming directions to those who have to handle affairs of State as to the policy that should be pursued in intricate and baffling international issues. It would be possible to feel more patience with these daily directions to statesmen if he himself, either in the Cabinet or in the House of Lords, had been conspicuous for submitting constructive suggestions under conditions where they would have been exposed to free and critical examination.

Neville Chamberlain retired from the directorship of the Department of National Service and was succeeded by Auckland Geddes, who brought with him from the Recruiting Department of the War Office a body of working and experienced agents. In this way he supplied what the department had hitherto lacked and the absence of which went far to account for its previous impotence. Neville Chamberlain ought not to be blamed too much. He never had a fair chance. Severe as my strictures have been of the proposals of his department, he cannot, I think, be held responsible for having done more than having allowed himself to be made responsible for supporting over-ambitious projects inherited from his predecessors on the Man-Power Board. He had not had the advantage of many of us in learning, through trouble and bitter experience, the limits of useful and practical administrative achievement in war-time.

In the midsummer, Rhondda was succeeded by the late Mr. Hayes Fisher at the Local Government Board, and, somewhat earlier, Mr. J. A. Barnes came into the War Cabinet from the Ministry of Pensions.

Austen Chamberlain resigned the India Office in July, mainly in consequence of the report of the Commission on Mesopotamia. He could, indeed, do no other. It had been pretty openly admitted for some time that he was not a source of strength to the Government. What may have been his share of responsibility for the hopeless muddles of the Indian Government in the Mesopotamian Expedition I do not know, but if he had brought to bear upon them no more than the same class of judgment that he had displayed on the Man-Power Board, he could not have contributed much to the avoidance of mismanagement. Administrative grasp and sympathetic outlook on the affairs of common people have never characterised Chamberlain's share in government. He does bring to public life other valuable qualities of judgment as well as worthy standards of conduct, but his failure to retain the full allegiance of the Conservative Party in these later days is explained by the lack of that sympathetic realisation of the point of view of others which really lay behind the impracticalities that emanated from the Man-Power Board.

When Montagu succeeded him in July at the India Office, it was understood that he would set his mind to the consideration of the reforms in Indian Government, and his subsequent work in that department must mark an epoch in the development of British India, although history has still to tell us what its results will be.

An outstanding feature of Lloyd George's first Government in December, 1916, was the appointment to high office, both then and

subsequently, of a number of men who had had no previous experience of parliamentary or political life. With the exception of Fisher, it was the first experiment in the appointment to office of men who had won high places in the business or commercial world. Rhondda, at the Local Government Board, and Devonport, at the Ministry of Food, although great men of business, had both had previous parliamentary experience, and one of them, Devonport, had been an Under-Secretary. With these exceptions, none of the men to be mentioned had even been Members of Parliament. Fisher, as Minister of Education, was the only man amongst the new-comers who could not be described as a business man, and it so happened that he was the only one of the group who continued for some years to take an active share in the work of government.

Maclay, at the Ministry of Shipping, was appointed as an expert, and, as already recorded, he provided the most signal instance of the success of this type of appointment, but he confined himself almost exclusively to his special executive work and refrained from taking anything but a very modest share in the direction of national policy.

Apart from these, Stanley (Lord Ashfield), at the Board of Trade, was the only business man who was appointed at the beginning to an office with Cabinet rank, but Eric Geddes joined us in July as First Lord of the Admiralty and continued in office afterwards as Minister of Transport longer than the others.

Cowdray and Rothermere, at the Air Ministry, have already been referred to. Rothermere was succeeded, in April, 1918, by Lord Weir of Eastwood, of whom we have often made mention in these pages in connection with his work for Munitions, first as Director of Munitions Supply in Scotland, and then as head of Aircraft Construction, to which he was appointed by myself.

I think it would be true to say that all these great business men, with the exception of Rhondda, showed a disinclination to be drawn into the discussion and formulation of public policy, except so far as their own executive responsibilities were concerned. To some extent Geddes came to take a more active part in such things than the others, but his share in the organisation of the transport services at the time of the railway strikes was much more in the nature of executive direction than of anything else. In his battles, however, as Minister of Transport, in Committee rooms and on the floor of the House of Commons, he developed a parliamentary sense and capacity of a conspicuous kind. Apart from this, I do not think that any of those mentioned ever showed any particular liking for parliamentary work. When matters of policy



that affected the lives and homes of the people were under discussion, most of these gentlemen seemed to feel themselves to be a little out of their depth and were averse to committing themselves. Rhondda, Maclay, Geddes, Cowdray and Weir stand out as select and able men in the world of business, and I should think that any one of them would say that their experience revealed the extraordinary shallowness of what used to be the popular cry for a business government. The conduct of national affairs and the devising of expedients and policies called for by the ever-recurring and ever-changing problems that present themselves to any body of men responsible for the conduct of the British Government, with all its domestic and world-wide involvements, does require a type of mind, of knowledge, of experience and judgment for which the conduct of even the most successful business enterprise does not, necessarily, provide any training ground, and many a time one or other of these men spoke very freely to me in this strain

The appointment of Ashfield to the Board of Trade was my own suggestion originally, and I think that it was admitted all round that he made an excellent President. He handled our side of the case in the Imperial Conference with conspicuous ability and he introduced a clearness and precision into the business dealings of the Board of Trade that was singularly lacking in the sloppy methods adopted by Runciman, of which the famous agreement with the railway companies is perhaps the most costly and notorious example. Ashfield never made any secret of his intention, as soon as he had served the war purpose that he had been called upon to undertake, to go back from parliamentary life to the direction of the great system of transport services for which he is so deservedly famous. Nobody handled the energetic and jumpy Mr Hughes, the Australian Premier, more tactfully and successfully than Ashfield. Hughes' idea of Imperial Preference seemed to be that we should find the whole of the capital necessary for developing the enterprises he recommended, that we should take the products at an extraordinarily favourable price, whether there was a surplus of them or not, and generally take all the risk. Nobody was more skilful and expert than Ashfield in reducing Hughes' proposals to manageable dimensions, and no one was freer also than Ashfield from any desire to promote separatism in departmental work. I do not think that it can be said he ever felt much at home in the House of Commons; but he represented the Board of Trade efficiently and fairly; he was disinterested and was liked by all of us.

As the head of an executive department with a big job of work to do and with full powers both to spend money and to employ men, Geddes was a very great success. His services in developing

the Filling organisation of the Ministry of Munitions and of the Transport services in France were outstanding achievements. One of his tasks at the Admiralty appears to have been to make drastic changes in some of the higher personnel, and, if report is to be believed, I do not think that it can be claimed that he did it with an excess of tact, but he put a magnificent vim and clear-sightedness into the development of naval enterprises. There was a candour about Geddes which endeared him to all of us, and as a collector of decorations he was, I think, pre-eminent, but the delightful thing about him was that he made no bones about it, he frankly said that he liked them, and I am sure that he wore them with dignity and distinction. The House of Commons, too, like his colleagues, came to have a real affection for Geddes. He knew his job, and, given powers enough, he would get it done. No man was more successful than he was in collecting round him a body of efficient helpers, and his loyalty to them was unbounded. The appointment of Geddes as Chairman of the Economy Committee, for those of us who knew him, was a Gilbertian performance. It was, perhaps, justified, both because of his thoroughly merited reputation for determined hard work and for his capacity to do a thing efficiently, as well as on the ground that a man who, himself, when he had the chance, was, perhaps, as vigorous a spender as anybody was the best man to detect and check similar proclivities in somebody else. He certainly knew where to lay his finger on the extravagances of the Admiralty. His report is perhaps a classic as an example of the merits and of the defects of the business man in government. As a businesslike examination of expenditure it has, perhaps, not been equalled, but as an expression of sound policy, it displayed a lamentable failure to recognise the real needs of the people, in education, in social and industrial opportunity and in their home life. It provides, perhaps, as fine a text as any that has ever been forthcoming for those who seek to discover the causes of the growth of the Labour Party during recent years. The spirit and aspirations of common people have no recognition in this document, but it was, nevertheless, a great and valuable piece of work as a capable, if cold-blooded, examination of national expenditure. It has the influence of another great and capable business man, Lord Inchcape, written all over it, but Geddes was the driving force that carried through a prodigious piece of work quickly and completely. It certainly put to shame the fiddling proceedings of the Public Accounts Committee.

Although this chapter is concerned with the year 1917, these references to business men in government should include mention

of that charming and efficient, if somewhat volcanic, Secretary of State for Air—Lord Weir—who succeeded Rothermere

There were few men that I know of who developed a public sense during the war more than Weir did. In executive work, both in Scotland and as Director of Aircraft Production, he was superb, but in the early days of the war Weir seemed to be somewhat out of touch with the realities that underlay industrial unrest, he had, however, a remarkable faculty for discovering and gripping essential causes and his advice as Minister continually revealed his ready apprehension. He was as convinced, as any man that we had amongst us, of the immense opportunity for development that lay before British industry in the application of science and of efficiency methods for securing big-scale production. He recognised the value that underlay some of the able reports that were afterwards made by the best men in science and industry to me as Minister of Reconstruction. For the most part these are still buried amid a mass of misrepresentation by people who have never read them. I remember that he told me one day that he was convinced that the time would come when they would be brought to light and use, and the shallowness of the fairy-tales of their socialistic and impractical character be revealed, for he was as convinced as I am that if we are to secure a full development of the mineral and industrial resources of the British Empire recognition will have to be made of the recommendations of the many able men who laboured on these subjects during the war and whose work has hitherto for the most part been unrecognised. Most of us who knew him, loved Weir. Alert, nimble, friendly, capable, I never think of him except as "Willy Weir". He was one of the real successes of the war amongst business men in government.

## CHAPTER XIII

### POLITICS IN 1917 THE EXTENSION OF THE FRANCHISE AND ANOTHER FAILURE IN IRELAND

The Speaker's Conference—Work of Lowther—Franchise in the Cabinet—Work of Lloyd George—Conservative Objectors—Their Later Record—Difficulties over Irish Redistribution—Passage of the Bill—Another Attempt at Settlement in Ireland—O'Connor's Motion and its Sequel—Redmond's Advice—Decision to Introduce a Bill—The Drafting Committee—Abstract of what was Proposed—The Decision Reversed and a Convention Proposed—Lloyd George's Methods—The Work of Duke as Chief Secretary—The Failure of the Convention

THE outstanding parliamentary achievement of the year 1917 was the passage into law of the great extension of franchise founded upon the report of the conference presided over by Mr Speaker Lowther (Lord Ullswater). It will, I think, stand for all time as the conspicuous accomplishment of Lowther's career. There was, it is true, in those days a volume of goodwill never formerly obtainable, and in this, as in so many other directions, the realisation, during the war, of the profound reality of the truth that as a community, we are members one of another, found an opportunity for its practical expression. But when allowance has been made for all this, if we recall the bitter and acrimonious conflicts that had prevailed over plural voting, the extension of the franchise to women and other features of the franchise question, it was a wonderful achievement to have obtained from a conference of all political parties a series of agreed recommendations that involved extensions of franchise and simplifications of the law, hitherto looked upon as only obtainable after prolonged agitation and after the usual succession of piecemeal legislation. Lowther's clear vision of essentials, patience and practical shrewdness never had a severer test or a more triumphant vindication.

Amongst the politicians of the time (although Cave handled the Bill in the House with great sympathy and skill) the chief credit belongs, I think, to Lloyd George. If he had displayed in Ireland the same adroitness and firmness of purpose as he dis-

played in this, I think the year 1917 might have marked the high-water mark of his career. There was not much doubt as to how the House would treat the unanimous recommendations of the Government if they took the form of supporting the Speaker's Conference, and the fate of the measure primarily depended upon the character and unanimity of that Government support. There was an active movement against acceptance of some of the recommendations of the Speaker's Conference amongst certain of the younger Tories during the month of March, and Lloyd George rightly brought the matter to a head in a full meeting of Ministers on the 26th. There had been an extensively signed memorandum of opposition on the part of some of these members of the Conservative Party, and, looking at the names of the signatories it is remarkable how conspicuously the same men have been associated during late years with blind and reactionary movements. The obstructionists have not, for the most part, been the older members of the Tory Party, nurtured in its traditions, but younger men whom one would have thought would have been more in touch with the spirit of the time. I shall not advertise them by mentioning them by name. As this is written in the month of December, 1923, one finds that some of the prominent signatories of that memorial of March, 1917, in opposition to the acceptance of the recommendations of the Speaker's Conference, are amongst those who are reported to have been active in urging Mr Baldwin to make his recent and uncalled-for appeal to the country with its disastrous results on the position of the Conservative Party. We had the advantage of Talbot and Younger in assessing the weight to be attached to these protests. It was, nevertheless, a surprise to me to find, in private conversation and otherwise, that Long and Robert Cecil vigorously supported the suggestion that we should accept the recommendations of the Speaker's Conference, substantially as they were, and present a Bill embodying them as a Government measure to the House of Commons. Old campaigner as Long was, there was no one more caustic and witty in his contempt of the prophecies of the, so-called, electioneering experts as to the effect of the acceptance of this or that provision upon Party prospects. There are a certain number of men in every Party who find a continual joy in the assessment of the influence of this or that upon the results of elections. I have never known them to be anything like right, save, perhaps, in the second election of the year 1910. The one thing they generally lose sight of is that the bulk of the electors who decide the issue of elections are human beings, with volitions of their own and who have neither knowledge of nor regard for the wishes of the

Party machine However, on March 26, it was decided to take the Speaker's Report and recommend it, as such, to the House, with the provision that, as there was not unanimity on the question of women's suffrage, it should be incorporated in the Bill, but that the decision on it should be left open to the House without the influence of Government Whips The credit for the decision to take this clear and definite line belongs particularly to Lloyd George, and it is right that it should be so recorded

The proceedings on the Franchise Bill went smoothly until the month of October, when there got introduced into it an element, which, in the end, nearly wrecked it It may have been the involvement of much other business, but although I was a member of the Cabinet Committee that dealt with Irish Redistribution, I never had a clear understanding as to how, or when, or on whose authority the proposal as to Irish Redistribution got into the Bill It is true that to give this wide extension of franchise to Ireland without any scheme of redistribution raised a host of inequalities that in themselves were utterly indefensible But, knowing well enough that redistribution proposals would cut across the provisions of the Home Rule Act—under whatever form they came ultimately to be operated—Lowther's Conference had deliberately excluded redistribution from the Irish part of the proposals, whilst extending the franchise there as elsewhere On its merits there was no case against Irish Redistribution, but there were two factors, based on expediency, which ruled it out They were, first, that it had been excluded from the recommendations of Lowther's Conference and had, therefore, been excluded from the Government Bill, and the agreement of the Nationalist Members had been obtained on that basis, and, second, that by the month of October there had come into being the Irish Convention which, if it dealt with anything at all, must certainly deal with redistribution, therefore to insert it at this late stage in the Franchise Bill was to court trouble in the House of Commons as well as in the Convention, apart from prejudicing the recommendations of the Convention itself.

The first suggestion that I have on record that this proposal should be put into the Government Franchise Bill is on September 19, when it appeared that considerable pressure was being exercised by prominent Irish Unionists to get Irish Redistribution in a special clause added to the Bill. In this as in other matters, Sir Henry Duke (Chief Secretary) was a thoroughly friendly and wise counsellor, and, towards the end of the month, he was driven to consider the possibility of omitting redistribution and dropping out of the Bill the other proposals for extending the franchise

to Ireland, except for the enfranchisement of service men. He frankly regarded this as an evil and last expedient, and happily it was not called for. By October 16, the difficulties—which never seemed to me to have been more than the usual abortive threats—were judged to have become so considerable that there was a disposition to acquiesce in bringing Irish Redistribution into the Bill as it was, if it were not possible to defer the applications of the proposals generally to Ireland. Subsequently, therefore, a new clause was introduced providing for Irish Redistribution. The immediate consequence was a storm.

In the meantime there was, in November, a very contemptible effort on the part of Herbert Samuel and Asquith's Whips to go behind the compromise recommendation of the Speaker's Conference on plural voting in boroughs. It was a very cheap and unworthy piece of old-time Party politics and the House treated it accordingly. The records of Parliament from the 4th to the 7th of December show what happened as the result of the forced introduction of the Irish Redistribution proposals when the agreed Bill was half-way through. We had three nights of old-fashioned Irish obstruction with no progress at all. There was, in fact, no reply whatever to the case which Redmond presented as to the basis upon which agreement had been obtained. Several of us were employed on the night of December 7 in trying to bring about a compromise, and the credit for what was obtained belongs mostly to Redmond and Devlin, on the one side, and to Long and Bonar Law, with Cave and Duke, on the other, although some others of us played a part as go-betweens. The result was that the Irish Redistribution clause was withdrawn, a separate conference was arranged for over which Lowther agreed to preside, and the Franchise Bill was read a third time and sent to the House of Lords. It only remains to be added that Lowther's Conference on Irish Redistribution resulted in agreement, and a Bill embodying the agreed proposals was passed into law, before the end of the same Session, in January, 1918.

The attempt of 1917 to obtain a settlement in Ireland really dates from a discussion that took place in the House of Commons on March 7, on Mr. T. P. O'Connor's motion—

"That, with a view to strengthening the hands of the Allies in achieving the recognition of the equal rights of small nations and the principle of nationality against the opposite German principle of military domination and government without the consent of the governed, it is essential without further delay to confer upon Ireland the free institutions long promised to her."

O'Connor's recital of events in Ireland from the opening of the war down to March, 1917, is the fairest and the clearest that I know of <sup>1</sup> He practically invited Parliament to try again, and he traced the course and influence of the blunders, almost crimes, of procedure in Ireland that had followed upon one another's footsteps from the beginning of the war. The whole-hearted support of the British and Allied cause which Redmond's lead had secured in 1914, when Irish volunteers flocked in multitudes to the standard, had been frittered away by a succession of clumsy provocations culminating in the breach of contract that the Asquith Government was responsible for in 1916 and had been transformed into bitterness, with a continual supply of welcome campaigning material to the unconstitutional forces. Redmond's loyal influence had been supplanted by the forces of rebellion. They wanted no better text than the series of events from what (to use Lloyd George's phrase) were the "ineptitudes and malignities of the War Office" in the early days of the war, down to the time when Redmond had gone to Ireland with "a document that was as much a contract as any lease that was ever signed," and on which he obtained, at great risk, the consent of his followers to the exclusion of the Ulster Counties, to be followed on his return to England by the discovery that this sacrifice of himself and his Party had been in vain.

In his reply to T. P. O'Connor, Lloyd George necessarily emphasised the importance of acceptance of the principle that there should be no coercion of Ulster and tentatively suggested that there might be a conference amongst Irishmen, or, possibly, a Commission. In his reply, Redmond said "I take leave to tell him that, after my experience of the last negotiations, I will enter into no more negotiations," and he followed it with a correct account of the atrocious happenings of 1916 <sup>2</sup> One sentence from his speech should be quoted as putting into a nutshell what I and some others subsequently contended all through was the right course for the Government to take. It was this—

'Put the Home Rule Act into operation with such additions, amendments and changes as the passage of time and the altered circumstances render necessary. *Do that on your own responsibility* <sup>3</sup>; Come forward on your own responsibility and do not ask us into your back parlours for any more negotiations."

The experience of the wrecked agreement of 1916, whilst clearly indicating that an essential feature of any amending Bill must

<sup>1</sup> *Parliamentary Debates*, Vol. XCI, 1917, cols. 425 to 442.

<sup>2</sup> See Vol. I, Chap. XVII.

<sup>3</sup> My italics.



be provisions safeguarding the position of the Ulster Counties, had made it impossible for the Nationalist Members to make or to accept in advance any suggested modifications. They had ruined themselves, and immensely strengthened the party of rebellion by doing so before. In the course of his speech, Redmond said a thing which, in view of after history, was as true and as prophetic as anything ever uttered in this connection. It was to the effect that if no settlement was forthcoming and the constitutional movement were destroyed, there would be no alternative but "to govern Ireland by the naked sword."<sup>1</sup>

An impression of the day's debate and of other happenings is summarised in the following extract from that day's diary—

"They" (the Nationalists) "could not be seen acquiescing in a scheme of Home Rule which would not take in Ulster. In my own view—and it is emphatic—if we were to introduce a Bill giving effective self-government to Home Rule Ireland, whilst allowing counties to vote themselves out or otherwise safeguard Ulster rights, the Irishmen would take it, or at all events work it. I strongly urged that we should do this, both to Lloyd George and Carson, but Lloyd George did not think we could pass it through the House. I am not disposed to agree with him."

A great many informal conversations followed this debate, and notes of April 4 and 16 may be quoted as revealing the next stage in the events—

*April 4*

"I am afraid Irish matters are not going very well, but we have decided to bring in a Bill to apply Home Rule with excluded areas and to offer great inducements to the parts that stand out to come in."

*April 16.*

"There was a special meeting of the War Cabinet and others, which I attended to-day. There was a long discussion on the merits of a conference versus a Bill, plus a sort of Speaker's Conference before the commencement of its Committee stage, and, unluckily for myself, I made one or two suggestions that were thought to be useful, with the result that I found myself appointed with Duke and Curzon as a Committee to draft a Bill. It is a serious embarrassment with the enormous amount of departmental work that there is on hand. I can only think that I possess one special qualification, and that is that I am without special prejudices or am previously compromised in any particular way save as a sincere Home Ruler, but not as one pretending to have any special knowledge of the subject. When I raised objections they assured me that they wanted some fresh minds on the subject, so I had to fall into line. It is a fresh job for me to have to try to draft a Home Rule Bill."

Curzon, Duke and I therefore got to work, and I confess that the first stage of our efforts gave me a much poorer opinion of the 1914 Act than I had ever had before. As an effective instru-

<sup>1</sup> *Parliamentary Debates*, loc cit., col. 478.

ment of self-government it was a very crippled affair, for the Irish Government was so hedged about by restrictions and limitations and was financially so impotent that the first year of its administration would certainly have brought about an unanswerable demand for drastic amendment. We were all agreed that there must be a simple method of voting for the Ulster Counties, either to be out or to come in, and that any Bill that we drafted must constitute an Act which would really provide effective self-government. I cannot refrain, in this connection, from mentioning that, over and over again, in my notes I give expression to a deep impression of the friendly and laborious co-operation of Duke and Curzon. Both were men who had belonged all their lives to the Unionist Party, but they set about the task determined to act up to the spirit of our instruction to draft a Home Rule Bill with effective safeguards for Ulster, in that they were resolute that it should be a Bill which really did provide for self-government in the part of Ireland to which it applied. We passed the draft of the Bill on May 4, and, on May 8, Duke's memorandum summarising our proposals was submitted to our colleagues.

It is worth while, as a matter of history, to put on record an outline of the proposals that we formulated. Some of them were new. We flattered ourselves they were sensible and ingenious. We had, of course, the pride of parentage and I believe all three of us were convinced, and still are—as some other of our colleagues said they were—that if the plan of going forward with this Bill had been adhered to a settlement might have been reached. It is certainly never safe to prophesy what will happen in Ireland, but the responsibility for making proposals clearly rested on the British Government, and if the proceedings of 1916 had taught us anything, and Redmond's declaration in the House of Commons had meant anything, it was that it was practically hopeless to expect settlement to be arrived at by any form of negotiation amongst Irishmen. The Nationalists certainly would refuse to be subjected again to the same kind of parliamentary or political maltreatment as had followed the understanding reached in 1916. No sufficient safeguard against it could be provided in advance and concessions to one another in Ireland were only likely to strengthen the case of the wreckers outside.

The Home Rule Bill at which we had worked so hard never saw the light. A note of May 4 may be quoted as preceding a fuller statement of what we proposed—

"The suggestions in the Bill represent a double-barrelled machinery. They provide effective Home Rule for Home Rule Ireland and they provide also a basis from the start for the representation of all Ireland together. . . Under

the proposed Council of Ireland it will be possible to get legislation applied to the whole of Ireland straight away if the Irishmen so agree. It also gives them an opportunity for getting the Home Rule Act modified and gives an opportunity to Irishmen to try and thresh out their own differences. At the same time there are a good many safeguards inserted for the inhabitants of the excluded areas which will give them a great measure of confidence if ever they come to vote for inclusion, for they can retain safeguards on the three vital matters of civil administration, education, and taxation "

The provisions of the proposed Bill and the circumstances associated with it are best described in the explanatory memorandum that was submitted by Curzon, Duke and myself. The material parts are as follows—

" The Draft Bill provides, as was directed, for the exclusion of individual counties from the operation of the Home Rule Act unless 55 per cent of the voters agree upon inclusion. After careful consideration of this proposal we are, however, opposed to the introduction of so obviously artificial a departure from the common principle of the decision of public questions by the vote of a majority, and we have embodied in the Draft Bill an alternative proposal for decision by a bare majority of the votes polled. The reasons for this view we shall state presently.

" The following is a concise statement of the principal proposals in the Bill—

" (a) The introduction of Home Rule with as little delay as possible throughout Nationalist Ireland.

" (b) A poll by counties of the six Ulster counties of Antrim, Armagh, Down, Londonderry, Tyrone, Fermanagh (including the boroughs of Derry, Belfast and Newry)—described as the ' excluded Counties ' in the Draft Bill—to be taken within a specified period after the war with a view to the incorporation in the Home Rule area of any county where a majority of the voters shall support inclusion, and to be repeated after a period of not less than seven or more than ten years if there shall still be at that time an excluded area.

(c) The establishment of a ' Council of Ireland ' in which the excluded area will be represented by its members of Parliament and the rest of Ireland by an equal number of members nominated by the Irish Parliament, with a President agreed upon by the members or nominated by the Crown, which Council, voting in panel, will have power, speaking broadly—

" (i) to pass private Bill legislation affecting both the included and the excluded area ;

" (ii) to recommend to the Crown the extension to the excluded area by Order in Council of any Bill or Act of the Irish Parliament ;

" (iii) to agree to the inclusion under the Home Rule Act of the whole of Ireland, subject to the assent of a majority of the voters in the excluded area, power to be vested in the Crown in that case to extend the Act to all Ireland by Order in Council, unless either House of Parliament has declared its dissent ,

- " (iv) to consult and make recommendations upon Irish questions, including the amendment of the Home Rule Act (as ultimately passed into law)
- (d) The reservation to the Crown of power to appoint a judge or judges of the High Court for the service of the excluded area, to sit continuously in Belfast as well as to hear appeals from subordinate jurisdictions, and the maintenance of a right of appeal from the High Court to a Court of Appeal in which the Crown will appoint the judges and in the last resort to the House of Lords (Sections 15, 16 and 17)
- " (e) The grant to every person now resident or carrying on business in the excluded area of the personal privilege of electing to be subject to British Courts and not to Irish Courts, and of a title to indemnity out of public funds for any damage which may result directly to him from legislative, administrative or popular interference with his existing rights (Section 4)
- ' (f) A parliamentary guarantee to the Home Rule area of an annual grant from the Consolidated Fund for purposes of development such as are dealt with by Part I of the Development and Road Improvement Funds Act, 1909 (Section 13).

" The proposal to make the exclusion of counties from the Home Rule area dependent on the vote of a 55 per cent majority seemed to us to invite the criticism that an apparently trifling departure from ordinary constitutional procedure was proposed for the transparent purpose of enabling a minority in Tyrone and Fermanagh to decide the issue in those counties. Further, we had reason to believe that the suggestion of a 55 per cent majority was equally unpopular with all parties in Ireland. In these circumstances it seemed to be undesirable to suggest a procedure which besides being contrary to the usual practice of elections in the United Kingdom would appear to have been devised to produce, if not to stereotype, a particular political result

" We have described the Council of Ireland as a body which will ' vote in panel ' This phrase is used to designate shortly a method of voting which is explained at greater length in clauses 15 and 17 of the First Schedule to the Bill. It is there provided that each of the representative groups in the Council shall have one collective vote, to be exercised according to the wishes of the majority in the group. The reason for the proposal is manifest.

" As an alternative to the group of privileges for minorities or individuals in the areas included after the passing of the Act, which are to be found in Clause 4 of the Draft Bill, we discussed the suggestion of a privilege of a more comprehensive kind, namely, that a dissident upon registering himself as such should be left in all respects, except those relating to municipal administration, subject to British law, British tribunals and British taxation in the same way as though he had remained a resident in the excluded area. Such a far-reaching provision would, no doubt, be regarded by these classes of persons as more advantageous than that in the Draft Bill. It would probably provoke objection on the part of Nationalists, and it would necessitate an elaborate adjustment of accounts in order to safeguard the Irish Exchequer

against loss of revenue It may, however, be worthy of consideration in the last resort if further inducement be required.

" We have found it difficult to devise proposals which would commend this Bill to those who have severely criticised the Home Rule Act on the grounds of finance. Clause 13 would, no doubt, be more acceptable if it were to embody a statutory minimum grant than if it merely guaranteed a rateable sum proportionate to any grant which might be expended in Great Britain The field of education appeared at first to be one in which existing conditions would have made a grant in aid very welcome to the Irish Nationalists to help them to deal promptly with a grave Irish problem. We have reason to believe, however, that a fund earmarked as a means of educational reform in Ireland would be an embarrassment to the Nationalist members by reason of the controversial questions that it would raise We have therefore not embodied any such proposal in the Draft Bill

" We have felt that the Council for Irish affairs which is proposed in the Draft Bill would perhaps receive a warmer welcome if it were designated by a name more suggestive of authority and of a National identity than the ' Irish Council ' (the title which was suggested to us by a number of representative gentlemen in Ulster ) ' The Council of Ireland ' and ' The Irish Representative Council ' are names which have occurred to us We have adopted the former of these

" We have drawn up this Draft Bill in the belief that, should it be fortunate enough to receive a Second Reading in the House of Commons, it will then be referred along with the Home Rule Act of 1914, to a Commission or Conference, with instructions to draw up a new Bill, as already promised, in amendment of that Act for submission to Parliament The fortunes of the Draft Bill will, in our opinion, depend very much upon the terms in which any such reference is made If the Draft Bill were referred alone without the concession of a power to propose amendments in the Home Rule Act, much disappointment would probably be caused, and it is doubtful if any practical result would ensue If, on the other hand, the Act be referred, together with the Draft Bill, there would seem to be a fair chance of evolving a reasonable and acceptable scheme "

On May 16, to my infinite disgust, I found that the War Cabinet had discussed the question of Ireland the previous day and had contemplated not tabling the proposals at all, but simply the convening of a convention in Dublin Finally, however, it had been decided to send a letter summarising the proposals both to Redmond and Lonsdale I do not know who attended this meeting beyond Members of the War Cabinet, but I, myself, was not sent for because I was away at Kettering However this may be, it was decided to have a fuller conference on the subject and this took place on the following day, and with the openly expressed dissent of some of us, it was eventually decided simply to send an outline of what was proposed in the Bill to Redmond and Lonsdale and to make a statement in the House of Commons on the

following Monday. What had happened between the presentation of our report on the 8th and this meeting of the War Cabinet on the 15th, I do not know. Lloyd George, himself, was the chief champion of the Convention idea, but whose influence it was, or whether it was his own idea not to introduce a Bill at all, as had been deliberately decided upon some weeks previously, and thus suddenly to go back on our previous considered decisions, I do not know, but I, for one, emphatically dissented.

My distinctly acrimonious note of the proceedings of the day ends with this—

" I am satisfied that the proposals of our Bill go a long way in the right direction and can only do the Government good as showing that we are prepared to make a *bona-fide* effort to meet the necessities of the case, and if the parliamentary conference, after the second reading, breaks down, then they can only try another Convention on, say, the South African model, but I can see no justification for altering the whole course of procedure in this way at the last moment "

The view that I am here expressing admittedly received no support whatever from the reply which was received from Redmond on the following day in regard to the sketch of the Government proposals submitted to him by the Prime Minister. He stated that the new proposals would meet with their vigorous opposition and in view of the strong line which had been taken a short time previously by a number of Irish Bishops against any form of subdivision of Ireland, and in view of the great developments of the Sinn Fein movement after the failure of 1916, it clearly was impossible for Redmond to agree to any such proposal in advance, notwithstanding that, for the sake of peace, he had made himself party to a subdivision of the country in the previous year. In Redmond's letter of May 17, he expressed his preference for the proposed Convention, and it was accordingly announced by the Prime Minister on the following Monday, May 21, without communicating to Parliament the proposals of the Draft Bill. No one can be wise, even after the event, with regard to affairs in Ireland, but in view of what had gone before, I never could bring myself to think that, in open discussion, in view of all their previous solemn undertakings, we should find the Convention, with the Nationalist Parties on the one side and the Ulstermen on the other, prepared to commit themselves to agreement, with the growing and powerful Sinn Fein movement outside ready to make capital out of any concession. The responsibility for making constructive suggestions, as Redmond had said in the previous debate, ought to have been shouldered by the British Government itself.

This incident was the first example of a method of conduct of affairs which Lloyd George unfortunately cultivated with a growing persistence during his tenure of office of Prime Minister. Duke, the Chief Secretary for Ireland, was, apparently, unaware of his sudden conversion to the idea of a Convention. It is true that the letter from Redmond promising opposition to the proposed Bill could be quoted as a ground for preferring the Convention idea, but Redmond's letter was sent on the 17th May and the real decision to scrap the Bill and substitute the Convention was taken on the 15th. One can understand that a Minister, like myself, holding a separate office might not have been consulted beforehand, although as a Member of the Bill Committee there might have been some reason for doing so. But the Chief Secretary for Ireland, himself, seemed to be as surprised at the scrapping of the Bill and of our previous decision as I was. I do not know to this day who the men were who were the Prime Minister's counsellors on this matter. When Redmond said in the House of Commons that it was our duty to come forward "on our own responsibility" and "put the Home Rule Act into operation with such conditions, amendments and changes as the passage of time and the altered circumstances might render necessary," I think he pointed to the only way in which a settlement could have been arrived at. No one can deny that after the conferences of 1916 an amendment to exclude certain Ulster Counties, at all events at the beginning, had become essential. We could not expect the Irishmen to say they would accept it, but the proposals of the Draft Bill went much further than the arrangement of 1916 in securing a unity of Ireland and an early and simple method for the excluded counties to vote themselves in if they wished to do so. In this respect it marked a great advance upon the proposals that had been acquiesced in, although with reluctance, in the previous year. The responsibility was ours and we ought to have accepted it with courage, and I believe that fair proposals giving effective government to Home Rule Ireland would have won through.

One of Lloyd George's greatest sources of strength, namely, his dramatic instinct, was then, and has been since, an equally outstanding cause of weakness. The summoning of a Convention, with all the high hopes that it raised, was dramatic enough, but I cannot remember ever having met anyone, closely acquainted with the real forces on either side that were behind the different parties and which were for the most part outside the Convention, who ever really expected it to succeed. Lloyd George has, unfortunately, an incurable ambition to do things on his own, and especially for the improvisation of some spectacular expedient. In

the long run these things are seldom successful in the settlement of great questions of national policy.

My notes at the time reveal a deep uneasiness at this manifestation of a sort of secretiveness combined with an autocratic temper. This method of handling great issues was, unfortunately, cultivated to a much greater extent in the following years, and did much, I am afraid, to undermine the confidence in his leadership and reliability of many of those who, like myself, had been his most loyal and faithful assistants.

The proposals of Curzon, Duke and myself were certainly fair and were far less definite in their subdivision of the country and in its separation from Great Britain than those which were accepted in 1921, after four years of the methods of the sword as prophesied by Redmond. However that may be, the method of the Convention was adopted, and its failure is written in history. We should have had the courage to go forward on our own responsibility, content to rest our case upon the justice of the proposals. Whatever might have been the consequences, they could not possibly have been more disastrous than the results that followed from the failure of the Convention onwards through the terrible years of 1919 up to 1921.

The work of Duke as Chief Secretary for Ireland, in an extraordinarily difficult time, was as able and as skilful as any that I know of. Whatever he may have been at the beginning, he was convinced of the necessity for self-government for Ireland long before the end. I do not know whether the Irish Executive in his time was worse than usual. If it was not, then indeed it was time that a new outlook and new personnel were adopted.

I shall never forget a deputation we had over from Ireland on July 4th. It revealed as forcibly as anything I know of, the kind of difficulty that Duke had constantly to contend with. Here was the Lord-Lieutenant and with him Lord Middleton, alternately hot and cold, retailing all sorts of dreadful things and suggesting various wild projects, any one of which would have brought the whole Convention to a failure at once. Duke had to steer his way through these influences, apparently gathered together and glorified in the Kildare Club, but none of which received an atom of support from General Mahon, General Byrne, Colonel Edgeworth Johnstone or other men with a real sense of responsibility. Duke was struggling all the time to keep things favourable for the Convention, and here were a number of presumably responsible men coming over to interview the Cabinet pressing things upon us, which if they meant anything, were a condemna-



tion of Duke and of the men who were solemnly working with him for the promotion of better things.

My concluding note is as follows—

"It is quite impossible to describe these meaningless diatribes which ended in the complete absence of any useful suggestion. Why they had come all the way from Ireland to talk this rubbish passed the comprehension of everyone of us. Duke let himself go pretty strongly on the subject. It looked much more like an engineered attack upon himself than on anything. Of course, we were bound to hear these gentlemen if they wished to make representations, but there is no doubt that the effect of the whole afternoon was immensely to strengthen Duke's position and to provide a fine testimonial of his soberness and statesmanship."

The Convention dragged its weary course through the remaining months of the year and was still sitting when the crisis arose over Irish Redistribution in the Franchise Bill in December. In due course the ship of the Convention came to wreck on the rocks, that to some of us had seemed from the very start to lie across its course. Amid the numberless cross-currents of faction and intrigue no navigator could have kept it free, and the end, if anything, was worse than the beginning. The close of 1917, marking as it did the bankruptcy of constitutional effort, showed, with an ever-growing clearness, the character of the legacy of woe that had been bequeathed to us by Asquith's tragic weakness in 1916.

## CHAPTER XIV

### THE FIRST TASKS OF RECONSTRUCTION

Problems that would become Urgent on the Cessation of Hostilities—Men and Staff—The Reconstruction Council—Its Members—Demobilisation—Military and Civil—Materials for Industry—The Central Committee—Clarendon Hyde and Garrod—The Priority Council—Shipping—Storage—Origin of the Disposal Board—Salisbury—Financial Preparation—Post-War Orders and Possible New Industries—Joint Industrial Councils and the Need of Trade Organisation—Ernest Benn

**I**T is difficult to imagine a change of work that was more definite and complete than the change-over from the Ministry of Munitions to that of Reconstruction, although the experience gained at the one was a valuable training for some of the more urgent and immediate tasks of the other.

At Munitions our objects were concrete, the attainment of them was measurable in deliveries of so many goods per week, notwithstanding that the attainment of those deliveries represented many and great adventures. At Reconstruction, on the other hand, the objects were remote. Some contingencies we had to provide against were certain, some were likely, and others very conjectural. Some things must happen when the war ended and had to be provided against, but even they would vary with the character of the peace and of the armistice period, upon the time of year and other circumstances.

Our first and obvious duty was to try and secure that when the peace came, national life and industry on a peace basis should be restarted with as little delay and friction as possible. There had been a complete transformation of the whole course of trade and industry; we had to explore these transformations and to prepare as well as we could the machinery and agencies for securing readjustment. The quieter the process of readjustment was, the greater the absence of display, the more real would be our success. These were the first things to prepare for. The developments and improvements which the war showed ought to be aimed at and which might be attainable in the peace period must come second.

One thing, with characteristic British obstinacy, we did, and

that was to plan on the assumption that the war would end without our being defeated and with our continuing to possess the power and freedom to take whatever steps were necessary. I do not think that any of the men who helped me, and who were eminent in almost every branch of commerce, industry and national life, ever talked about the possibility of our being defeated. One thing was certain anyhow, that, if we were defeated, any plans that we might make would be at the mercy of the victor.

We planned in the main for an armistice which would mark a real termination of hostilities, although the designs were framed also to meet the contingency of a prolonged armistice. It was a common practice with some publicists at that time, amongst which the late *Pall Mall Gazette* was most prominent, to represent that the Ministry of Reconstruction *during the course of the war* was to put all kinds of developmental projects into operation. Our national business during the war was to win it. Our business at Reconstruction was to do what we could to secure that, afterwards, we should be ready to go ahead as quickly and as well as possible.

A glance at some of the questions that must arise at the conclusion of hostilities suggests the character of the work that dominated our purposes for a considerable time. Demobilisation of the armies would involve bringing back into trade and industry in a relatively short period many hundreds of thousands of men. At the same time the character of industry would be altered, and armies of civilian workers, men and women, many of whom were employed far away from their homes and, more still, on work that would no longer be required, would present a whole group of civil demobilisation problems, and, mingled with them, would be labour and industrial questions of extraordinary complexity. At the same time most essential materials—food, textiles, iron and steel, chemical and the rest—would be held by the Government, often in places and in quantities entirely different from the requirements of peace time. The course of shipping would be found concentrated on some routes wholly disproportionate to peace needs, and others, essential to the restoration of industry, would be almost bereft of tonnage. The grip on money also was as tight as it was on materials, and the liberation of it so as to provide for the re-equipment of works and for the restarting of trade raised another group of difficulties; and they themselves had been added to by the absorption of money in war credits and by the disappearance of many overseas investments. The destructions of the war also and the restorations that would

be clamoured for to provide the machinery of restarting had altered the character of the demands which would be made upon post-war industry

The first question therefore in July, 1917, was how to set about the examination of these things as the preliminary to framing plans for dealing with them. There was one serious drawback, and there were two substantial advantages. The drawback was that, whichever way one turned, the people who had the knowledge and who could give the most effective help were already as busy as could be. The different war departments had laid hold of capable men and women everywhere, and I myself at Munitions had been responsible for a goodly share. Apart from this, the immense activities of the war called for the very best that could be obtained from those who remained in industry after the insatiable demands of the war services had been met. It was no easy task therefore to create a Ministry competent to deal with such complicated tasks. The favourable circumstances were first, that for some months previously, Montagu had been acting as Chairman of a Reconstruction Committee and a strong body of men were already well advanced in working out demobilisation plans so far as the Army was concerned, and, another group, under the chairmanship of Mr. Speaker Whitley, had made headway in devising machinery for dealing with labour questions. In addition to this, two years' work at the Ministry of Munitions had made me personally acquainted with a large number of men and women who were able and trusted in many departments of work. It is true that the field of my previous experience by no means covered all the ground that the Ministry of Reconstruction had to deal with, but it was an immense advantage. Whatever else can be said of me, it is happily true that I somehow was possessed of the goodwill and friendship of a very large number of men and women who were fitted to help, and, since it is always the busy people who can find time to do things, so it was then. If it had not been for this, it would have been impossible to get together the splendid staff that I did.

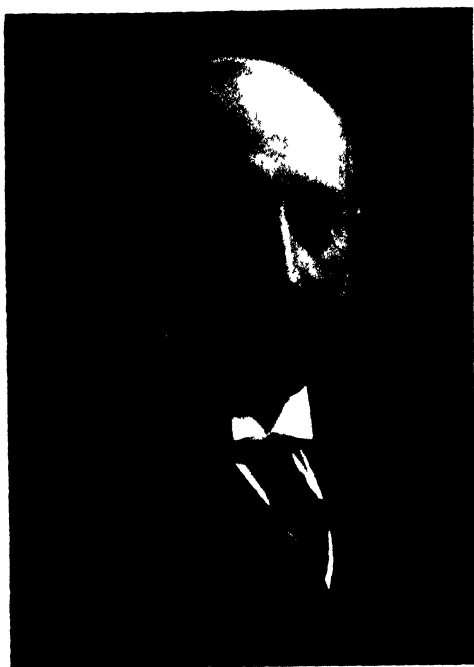
In this first mobilising process Mr. Vaughan Nash, who had been acting as Secretary of the Reconstruction Committee, under Montagu, was of the greatest help. He had been Chief Private Secretary to Asquith as Prime Minister for several years, and had gained there a very wide knowledge of people, so that, in the topics other than those we had had to deal with at Munitions, I was possessed, at the start, of a man of high character and disciplined shrewdness and who knew "who was who" in almost every branch of public and social service.

No Minister of Reconstruction, or any Minister with similar responsibilities, could possibly do his work unless he could establish and maintain friendly working relations with the different State departments. When Lloyd George asked me, that afternoon in July, to send him in at a few hours' notice a draft of the powers that I should require I had not much difficulty, because our previous understandings had made me prepare for the change. It is not necessary to quote the letter in full, but two paragraphs may be quoted as relating to other departments—

" (6) He (the Minister of Reconstruction) should have charge of schemes of a developmental character until they reach the operative stage and be entitled to appoint the staff necessary for their consideration and to call for the necessary assistance from Government departments and to recommend to the War Cabinet as to the department to which they should be assigned when the operative stage is reached

" (9) Generally he should have power from time to time, after consultation with any Government department concerned, to assume direction of, or to initiate enquiries into, matters which in his opinion are relevant to the future conservation or development of national or Imperial resources "

Lloyd George sent a personal letter to the heads of all the departments informing them of the arrangements, but I cannot remember any occasion on which it was necessary to evoke the powers or to make any reference to them. Any man who knows anything of the inside working of Government departments will recognise that things would have been very difficult, whatever they might have been on paper, had we not established friendly relations with the departments. It was fortunate for me that in Ashfield and Llewelyn Smith at the Board of Trade I had two colleagues with whom I had worked very closely for two years; for the Board of Trade was necessarily much concerned in the immediate post-war issues. Roberts and his chief men at the Ministry of Labour, and Derby and Brade at the War Office, were similarly good friends of mine, and saw to it that no departmental stickiness should stand in the way of smooth working, and the men at the Ministry of Munitions, whom I used extensively, were only too keen to continue our work together. Indeed, more than once, Churchill had to put the brake on because I was inclined to use some of his men too much. Fielding came over from Munitions to help me at the beginning, and Roger came shortly afterwards. Heseltine, who had been one of my private secretaries there, was transferred to take charge of health questions, and the inexhaustible Civil Service gave me another first-class private secretary in Mr. P. Barter, who had previously been helping Kellaway in the same capacity.



*Photo by Fabra*  
SIR HENRY BIRCHENOUGH, Bt



SIR CLARENDON HYDE, Bt



*Photo by Fabra*  
MR VAUGHAN NASH, C B



This chapter will be devoted to those questions that became urgent upon the cessation of hostilities, to giving an account of the men and women who helped me to deal with them and of the arrangements we prepared.

The subjects were so complicated and overlapped one another so much that we soon found that the best way of dealing with them was to have regular meetings of the men in charge of the different sections of work, and they constituted an Advisory Council

Sir Henry Birchenough, Bart, K C M G, found himself gradually committed to giving me his whole time and became the Chairman. The attendance at the Council necessarily varied according to the topics on the agenda, but the other regular members were the following—

Mr Ernest Bevin  
 Sir Charles Fielding  
 The Hon Herbert Gibbs  
 Mr W L Hichens  
 Sir Clarendon Hyde, Bart  
 Sir Charles Metcalfe, Bart  
 Sir H Babington Smith, K C B  
 The Rt Hon J H Thomas

Later on, when we were able to devote time to rural and developmental questions, Sir Leslie Scott, K C, and the Rt Hon Henry Hobhouse joined the Council. The men in charge of the day-to-day work of the different sections of the Ministry, and who will appear as the story is unfolded, attended the meetings of the Council according to the subjects dealt with.

How the members of the Council managed to find time to get through their work I could never understand, but they, like myself, taking advantage of the spirit of the time, were able to call upon a great body of assistants. From early till late, right through to the end, Birchenough stuck to his post, and eminent as the other men were, I do not think there was one of them who failed to recognise that by a piece of great good fortune I had managed to secure an ideal chairman. A tall, pale, quiet man, with no end of knowledge and remarkable tenacity, he had a burden of responsibility to which, so far as I know, nobody has ever yet paid tribute. He was the Chairman of as capable an industrial staff as I believe have ever been got together. The late Sir Henry Babington Smith, until he went to America with Reading, was generally in charge of finance, transport and allied common services, and Metcalfe afterwards took his place.



Babington Smith had been the Chief of the Staff to Curzon's Cabinet Committee on the limitations of imports, and it was experience of him there that made me seek his help. Gradually, I am afraid, I drew him more and more from the work he was doing for the Board of Trade, but I think our work had a great fascination for him. Personally he was much the same type of man as Birchenough—quiet, efficient and with vast knowledge, a lovable man too and unflinching in his maintenance of the highest standards of English public life. It was largely due to him that I obtained the help of Gibbs to review the need for capital for post-war purposes and to frame proposals for its liberation in a form suitable for submission to that very tyrannical body of men (The Issues of Capital Committee) who sat at the Treasury and who held so tight a grip upon money. Metcalfe succeeded Babington Smith as Chairman of the Finance and Transport Section and also helped to assemble and make available for industry the multitudes of enquiries for transport material after the war that came to us from every part of the world through the Overseas Trade Department, through the Colonial Office, the Board of Trade and from a host of other sources. In addition to this, during a great part of 1918 he had charge of the preparation of the plans for the clearance of stores and ports for peace-time industry, and assumed executive charge of them after the Armistice.

Clarendon Hyde, like Mour, was one of the men we borrowed from Cowdray's firm, and special description will be required of the difficult and complicated task that was allotted to him.

Bevin, one of the ablest men amongst labour leaders, came in to help Birchenough as a man acquainted with the industrial side of dock and transport work, and Thomas, in association with Hichens, was responsible for that section of the Ministry that was set apart to promote those collective trade organisations that were found to be so necessary.

In previous chapters I have made many references to Fielding. His interests nominally were in connection with metal supplies, but his heart all the time was in the future of British agriculture. There was no subject on which he was more vigorous and eloquent than of what we could produce in the way of food supplies at home if only science and co-operative method were applied to it. If he could have carried out his projects when he afterwards came to deal with food production for the Minister of Agriculture he would have transformed the country-side. But, without questioning the accuracy of his forecasts, I was never satisfied that he fully realised the stupendous obstacle that confronted him in the immo-

bility and conservatism of the British producer His little handbook <sup>1</sup> is a mine of information on the subject, but, short of the most drastic socialistic system imaginable, I could never see how he would bring it about.

These men, then, met regularly in an upper room in Queen Anne's Gate. I only came in when general schemes and plans of operations were under discussion They were responsible for threshing out the details in association with Nash, Professor W H Garrod, Mr A Greenwood, M P, and the other men in the Ministry who were responsible for giving effect to what had been agreed upon These gatherings furnish some of the most pleasant of my war-time recollections Excepting for Thomas and Bevin, all the men on the Council were eminent in finance, commerce and industry as successful champions of the results of individual effort, but, with the exception of Hichens, I think they were all more or less infected with the prevailing socialistic virus of national management, or of a substantial measure of it, so far as common services are concerned I believe that Hichens was the only one who was emphatic, for example, against that State direction of the development of power supplies which seemed to be inevitable if the proposals of Mr Charles Merz's Power Generation Sub-Committee were to be given effect to Hichens all through was in favour of doing the work through the medium of private companies I think myself that anyone reading Merz's report and Sir Archibald Williamson's report to the Board of Trade on the supply of electricity must be satisfied that the present medley of small and often inefficient power systems is due to the fact that private enterprise has been allowed to proceed without participating in any well-considered and comprehensive plan However that may be, Hichens was a consistent and competent champion of private enterprise unalloyed with State interference, and from that point of view, apart from his own qualities and wide knowledge, he was very often, I am sure, a useful corrective in our councils.

### DEMOBILISATION .

Demobilisation must occur anyhow on the cessation of hostilities. The staff plans at the War Office and the Admiralty for the conduct of demobilisation were no concern of the Ministry of Reconstruction; but Montagu had been Chairman of a Committee

<sup>1</sup> *How England was Saved.* By Agricola. Swan Sonnenschein & Co., 1908

that was charged to consider the conditions that should apply to release from the Colours

After Montagu became Secretary of State for India, Brade took charge of this Committee as well as of another on the special questions relating to the resettlement of officers. These committees dealt with the order of release, with the amount of gratuities and allowances after demobilisation, how long unemployment pay should be made, how much and under what conditions, what should be done for men who had joined the Army without completing their apprenticeship or whose university career or other training had been interrupted, with the arrangements for the repatriation of officers and their families, and with many more matters. As a part of this work arrangements were devised, in association with the Board of Education, for assisting the training at technical institutions, universities and elsewhere of demobilised officers and men. The plans thus prepared went far to fill our universities, medical schools and other places to overflowing in the immediate post-war years and they constituted one of the parts of Reconstruction work that happily was carried through before the 'Economy Axe' was applied to educational services

The scheme for army demobilisation was approved by the Cabinet in November, 1917, although, as the sequel will show, it was subject to a good deal of alteration afterwards. An allied and, if possible, more difficult topic was what arrangements should we make to provide for the demobilisation of civil war workers? Putting aside trades union and reinstatement questions, we had to frame proposals for facilitating the return of workers to their homes, for a scheme of unemployment benefit embodying precise proposals for the allowances for men, women and dependents. These plans were prepared by a body known as the Civil War Workers' Committee, that sat under the Chairmanship of Mr. Gerald Bellhouse of the Home Office, and their proposals were ready and were submitted to the Cabinet in April, 1918

### MATERIALS FOR INDUSTRY

It was a common joke at the time to chaff me about the number of Committees that I had sitting. Some people, I think even Mr. Harold Cox, seemed to have the idea that the right and the best thing to do would be to declare complete freedom in everything for everybody and generally to "let things rip" as soon as hostilities ceased. Every body of traders we consulted and every man who knew anything about the actual position of industry prayed to be delivered from that, much as they may have longed for freedom, and much as they might dislike State interference. What was

the position? Every ounce of metal and all important raw materials were held by State departments and whenever the war ceased there would be in existence contracts and commitments for purchase and shipping months ahead. Some of the materials were in much greater quantities than peace-time industry would require, and some were very deficient. An elaborate system of priority certificates was in existence under which allocations had been made for some time ahead, often entirely disproportionate to the needs of ordinary industry. Unless the liberation and re-allocation for the requirements of industry had been made on a thought-out plan, with machinery in existence to deal with it, there would have been a scramble for material and a rise in prices for which even the boom of 1920 would have been a very feeble parallel. What did the different trades require, and how could it be made available? were the governing questions.

It was soon discovered that the only way of dealing with them was to have small groups of people who knew all about the different commodities, and who were competent to advise what the trades would require and how their requirements could be most rapidly met. Sir Cecil Budd from Munitions took charge of non-ferrous metals and had to devote so much time to it that Churchill protested, for Budd's energy and willingness to work were inexhaustible. A big, quiet man, he willingly saddled himself with the chairmanship of more than half the groups and helped to pool their findings on the Central Committee on Materials Supply that came to be established. A similar procedure was necessary for textiles, hides and other raw materials, as well as for food-stuffs. The men who formed the Central Committee and who gathered together all the findings and recommendations affecting materials supply, and worked them up into plans for action, were as follows—

Sir Clarendon Hyde, Bart (Chairman)  
 Sir Arthur Steel-Maitland, Bart, M P (Vice-Chairman)  
 Sir Henry Birchenough, Bart, K C M G  
 Sir Cecil Budd, Bart, K B.E.  
 Sir Charles Fielding, K B.E.  
 Sir H. Babington Smith, K C B  
 Mr Wallace Thorneycroft  
 Mr. Andrew Weir (Lord Inverforth)  
 Mr. J. F. Ronca (Secretary).

The Overseas Trade Department, on Steel-Maitland's direction, freely gave us the services of all their agents. I have avoided quoting the terms of reference to the different Committees, but in

the case of the Central Committee as it became of such enormous importance, I think an exception should be made. This Committee was appointed to consider and report upon—

- (1) The nature and amount of the supplies of materials and food-stuffs which, in their opinion, will be required by the United Kingdom during the period which will elapse between the termination of the war and the restoration of a normal condition of trade.
- (2) The probable requirements of India, the Dominions and Crown Colonies for such supplies at the close of hostilities
- (3) The probable requirement of belligerents and neutrals for such supplies at the close of hostilities
- (4) The sources from which, and the conditions under which, such supplies can be obtained and transported, and, in particular, the extent to which they might be obtained from the United Kingdom or within the Empire or from Allied or neutral countries
- (5) The question whether any measure of control will require to be exercised in regard to the nature and extent of any such control

The war had brought such utter disarrangement in the disposition of all sorts of essential materials all the world over that the Government was bombarded with requests on an infinite number of points, not only from the Dominions but from our Allies and neutrals

A Cabinet Committee known as the Economic Offensive Committee, under the chairmanship of Carson, sat for a long time and was charged primarily with problems brought up to it from the Ministry of Blockade, the Board of Trade and elsewhere, for the purpose of attacking the enemy on the materials side and for lessening his grip on the resources of many parts of the Empire. The Imperial Conference also had a large number of Committees sitting on different aspects of these materials questions, and the Overseas Trade Department, the Colonial Office, the India Office, the Board of Trade, were all dealing with one part or another of them.

Early in 1918 the case presented as hopeless a tangle as I was ever acquainted with. The result was that the Economic Offensive Committee charged me as Head of an outside department to try and deal with the whole case, and the Central Materials Supply Committee became the Central Agency. The man who did more than anybody else to produce order out of chaos was Professor H. W. Garrod, of Merton College, Oxford. The last thing the champion of a business government would expect would be that a man who

was renowned as a Greek scholar and is now a Professor of Poetry should be the man who should contribute most to the clarification of these complicated supply matters, but it was so, and every business man who worked with us was enthusiastic about Garrod's work. In a note to me about it I think that Vaughan Nash summed it up better than anyone else—

"He brought order into what seemed like a hopeless muddle, and with delightful tranquillity beamed on those distracted problems and the perplexed persons who surrounded him. I often quote him as an instance of the value of pure intellect applied to no matter what. Floods of data and statistics and specialised training to match seem to have availed nothing in this case until you brought in an instrument of pure intellect to edit the obscure text."

One of the main difficulties that confronted us in working these things out to suit the requirements of the different industries was the absence of trade bodies competent to voice in an authoritative way the needs of their industry and capable of dealing with the case on behalf of their industry when the time came. In spite of the tremendous efforts made in 1918 to promote the establishment of Joint Industrial Councils a vast number of industries would have been unequipped with any representative trade body had it not been that Wormald had created many such organisations under the pressure of war necessities in the endeavour to keep their capacity for civil industry alive.

It was necessary whenever hostilities ceased that some machinery should be in existence which would enable us to scrap all the complicated system of licences, permits and the rest as rapidly as possible without causing confusion and a scramble for material. Some trades, such as the cotton trade, with its Cotton Control Board, under the guidance of Sir Herbert Dixon, were already well equipped, but there were not many others possessed of an agency competent to handle and distribute materials according to the requirements of the industries if we could secure an arrangement whereby a bulk allocation for the whole trade could be made promptly on the termination of hostilities. Some demands were much less important than others from the point of view of obtaining an early restarting of the machinery of production, and some device for dictating the order of priority of release was called for, and here it was that the experience gained by the Civil Industries Branch of War Priority under Wormald,<sup>1</sup> as the mouthpiece of civil industry during the war, became of such vital importance.

Side by side with this work for making sure of our demands

<sup>1</sup> This work of Sir John Wormald is referred to in Chap. X, p. 145, Vol. I

for the raw materials of industry and for perfecting the arrangements for their supply, each of the Dominions and India appointed their own Priority Committees to work hand in hand with our own for the purpose of securing prompt attention to their own post-war needs for machinery or for material. In order to deal expeditiously with all these post-war adjustments, a strong body (The Council of Priority after the War)<sup>1</sup> was provided to come into executive existence when hostilities ceased.

In order to prepare the ground for the work of this body—destined for a short time in the early demobilisation period to have vast responsibilities—it was necessary not only to see that there were trade bodies in existence able to allocate to the industries the materials released in bulk from government control, but to do so in such a way as to ensure that the things that were most urgently needed for the early starting of industry were released first. This entailed a careful examination of the most pressing post-war requirements of the different trades, for the whole balance had been upset by the absorption of material and manufacturing capacity for so long a time for war purposes, and in particular by the diversion of machinery. As a single instance I may mention that the great textile trade, owing to the dismantling or alteration of much of their machinery, was in the position that it must have an early place for re-equipment of machinery if it were not to be outdistanced by foreign rivals. On two or three occasions we found energetic Frenchmen and representatives of the Japanese over here in 1918 trying to make sure that they got priority for their orders for textile machinery. They, of course, soon found themselves confronted with the Priority Council under Birchenough.

Speaking of textile machinery compels me to mention three men who were towers of strength to us. Sir E. Tootal Broadhurst spent months with us, and when he undertook (after talking things over with Dixon, the Chairman) that the Cotton Control Board should make arrangements for dealing with this or the other we had no misgiving but that it would be handled as he had promised. There was no necessity to enquire how things were getting on you were presented in due time with the results. Mr H. S. Clough in the wool trades had a much more difficult task, but we had at the War Office in Sir Arthur Goldfinch a man who had the executive machinery available for dealing with those industries. I do not know how it was, but we had great difficulty in securing for the wool trade a representative body that commanded general

<sup>1</sup> For the membership of the Council of Priority after the War, see the Appendix, No. 8.

confidence. I am afraid that local jealousies and some personal questions had a good deal to do with it. The representative of all this group of industries upon the Post-War Priority Council was Mr. Robert Armitage, of the Bradford Dyers' Association. He was one of the most refreshing and vigorous of that fine group of men who made such a rapid and complete onslaught on all permits and priorities within a month from the Armistice. Armitage was one of those big-hearted, cheerful and effective men who, when the time came, although he had been as shrewd and quiet a counsellor as any, was a magnificent hustler in obtaining a rapid change-over.

None of these complex arrangements for facilitating materials supply would have been operative unless we had had Maclay and the men at the Ministry of Shipping working with us many months in advance. In order to secure a rapid rearrangement of shipping and the shipment of supplies according to the plans submitted by Hyde's Central Materials Supply Committee, the Ministry of Shipping set aside a group of men, under the chairmanship of Sir Kenneth Anderson, K C M G, to work with us in translating these things into terms of shipping. After some persuasion, I managed to secure Sir Alfred Booth, Bart, as a member of our standing Finance and Transport Section at the Ministry, and, thanks very largely to his advice and to Garrod's orderly mind, we were able to focus and present to Maclay a clear statement of our requirements. Looking back upon what followed after the Armistice, and knowing as I do the wonderful celerity and quietness that characterised the arrangements that had been planned in advance by Kenneth Anderson, I feel that it is impossible to estimate the advantage that must have flowed therefrom in enabling the trades and industries of the country, so rapidly as they did, to provide employment for the great masses of men released from munition works and from the Army.

As a part of the foregoing, and side by side with them, in April, 1918, all the different departments that were holding materials came together with us, under Metcalfe,

"to collect information from departments of available storage accommodation, to act as a clearing-house of information in respect of such storage and to allocate the same in the event of more than one department requiring it."

When the time came they were charged with executive authority to obtain clearances at suitable ports and on lines of traffic. They did what we ought to have done much earlier in the war, namely, obtained a combined use of storage accommodation by



the different departments. Where one had space to spare some one else could use it, and an endless multiplicity of storage accommodation was avoided. The purpose before us, of course, was, not so much storage during the war, as to secure that the avenues of trade were not blocked after the Armistice

#### DISPOSAL OF WAR STORES

Although it may appear to be a diversion, it is appropriate, whilst referring to war stores, to record that in August, 1917, I had a meeting with Sir Howard Frank, Brade from the War Office and Stevenson from Munitions, to discuss the disposal of war material after the war. It was agreed that we ought to devise some method for dealing comprehensively, on businesslike lines, with disposable stores of all kinds. We had vivid recollections of what had happened after the close of the South African War. This modest meeting marked the origin of the great organisation that subsequently developed as the Stores Disposal Board, under Sir Howard Frank. It was all very well to agree in principle, but every one of us knew that it would be a long and difficult business to secure agreement for the establishment of one comprehensive organisation. Thanks largely to the good offices of Brade and Stevenson, the consent of the Ministry of Munitions and the War Office was given to the principle suggested, but an examination of ways and means by an independent and authoritative body was clearly necessary. I obtained the consent of the Cabinet to the general principle and then appointed a strong Committee, under Lord Salisbury, with the following reference—

“ To consider and advise, under the direction of the Minister of Reconstruction, as to the manner in which all stores, land and other property (except Shipping and Government Factories) under the control of Government departments, being property acquired for the purposes of the present war, and no longer required for the purposes of the departments under the control of which it is, shall be dealt with, whether by the transfer thereof to some other department, or by the sale or disposal thereof to other persons ”<sup>1</sup>

Salisbury was one of the most willing outside helpers that I had. He presided over the Committee that explored the Housing question and made the report upon which the Housing proposals were based that I submitted to the Cabinet. I had some difficulty in persuading him to take this Stores problem, as he insisted that Merchanting and such-like questions were outside his ken. But I pointed out to him that if the proposals were to command public confidence they must be based upon an impartial examination of the different possible methods, under the presidency of someone

<sup>1</sup> For the personnel of Salisbury's Committee, see the Appendix, No 9

of manifest and unquestionable independence. In this, as in other ways, I owed a great deal at this period to Salisbury for his friendship and efficient help. I have often wondered why it is that he has not taken a more active part in political life. His clear-headed, businesslike method would, I believe, have been a useful asset to the Conservative Party on many occasions if they had made more use of him. Perhaps it is that Salisbury himself has no very great taste for these things and cannot be bothered. Ordinary political dialectics clearly do not appeal to him, but if proposals, based on some obvious need, require to be developed into a working plan, there are not many leaders of the Conservative Party, so far as I know them, who are as competent as he is to get the work done with precision and efficiency. Having undertaken the task, he set himself to work vigorously, and his recommendations embodying the principle we had agreed upon in the abstract were submitted early in 1918. The general scheme in the first place was rather against the grain with some officers of the Treasury, but at a conference with Bonar Law and Bradbury at the Treasury on June 7, 1918, I obtained their consent to the proposal that *one body of men should be responsible for the whole business of disposal*, and thereafter, subject to the usual delays and discussions as to men and methods, it was plain sailing.

#### FINANCIAL FACILITIES FOR INDUSTRY

As another contribution towards smoothing the way for resumption of work after the war we had to take up a cluster of questions relating to finance. The Treasury had a tight hold over credit, but liberal credits would be required immediately hostilities ceased for the acquisition of materials and for the conversion of works and factories engaged upon war-work to normal production. By agreement with the Treasury in November, 1917, this work was undertaken by the late Sir Richard Vassar-Smith, Bart., Chairman of Lloyds, and he was assisted by a very august body of men known as the Financial Facilities Committee.<sup>1</sup> It was a problem for bankers and industrialists, and the personnel of the Committee was sufficiently authoritative to secure that the plans arranged for could be given effect to.

Side by side with this, and mainly owing to the initiative of Hitchens, it was necessary to devise satisfactory arrangements for the valuation of the immense stocks, up and down the country, that would be held at the different works and which were the property of the Government. The work was undertaken by Mr J C

<sup>1</sup> See Appendix, No. 10

Harrison with the goodwill of the Inland Revenue, and I believe that the arrangements he devised, which are much too technical to be dealt with here, represented an arrangement which both the Inland Revenue and the manufacturers welcomed as fair.

### POST-WAR ORDERS

In the autumn of 1917, owing originally to suggestions that came to us from the Overseas Trade Department, under Steel-Matland, it appeared certain that there were large orders waiting for British industry, particularly for certain kinds of machinery, and the Council advised me to initiate explorations into proposals for post-war work. There was a big field open not only in the collection of information from abroad, but in the examination of the possibility of our making at home a number of things which it had been our habit to import before the war. The most interesting and useful of these enquiries was that which was known as the Engineering (New Industries) Enquiry, undertaken with the co-operation of the Ministry of Munitions by a group of men known as the Engineering (New Industries) Committee, under the chairmanship of the Hon H D McLaren, M P. They divided the engineering trade into various sections, pooled the result of their enquiries and made them available to the trade as a whole. Mr Charles Bennion was in charge of the work so far as it related to printing, paper, leather and wire machinery. Sir George Bullough for textiles, Mr J Taylor for electrical and scientific machinery, Mr. F. H. Crittall, and that ingenious engineer, Mr P J Pybus, took charge of others, and Mr W B Lang and Mr C A Lister from Munitions took machine tools and agricultural machinery. They must have examined thousands of proposals, the majority of them, no doubt, valueless, nevertheless, their recommendations resulted in the submission, to practically all sections of industry, suggestions that led to various enterprising firms taking up new branches of manufacture. I have always thought that it is a great pity that we do not do very much more of this kind of thing in peace-time.

### TRADE ORGANISATION

One thing must have been prominent throughout this chapter, namely, the immense scope there is for properly constituted trade organisations, not simply for the consideration or avoidance of industrial disputes, but for doing work that will promote the prosperity of the industry. They can encourage research and practical enquiry, secure co-operation and in many ways promote the betterment of conditions of those employed in it. Apart



*Photo by Tassie*

SIR ERNEST BENN, Bt



*Photo by W. Scott*

MR. ARTHUR GREENWOOD



SIR JAMES CARMICHAEL



*Photo by Weyland*

MR. P. BARTER



entirely from the report of Mr Speaker Whitley which was approved by the Cabinet in October, 1917, all our experiences went to show the need for properly instituted Joint Industrial Councils in trades. As I have said, we were handicapped from the very beginning by the lack of such agencies. In the autumn of 1917, therefore, we initiated an active campaign to promote their formation. I have placed in the Appendix<sup>1</sup> a memorandum submitted to the Cabinet on the position as it was in December, 1917, and almost every paragraph of it emphasises the need. Many of the things mentioned in that memorandum were achieved in the following months, but neither during the war nor afterwards has this trade council movement progressed as it ought to do.

Our first task was to get agreement on general principles by joint meetings between representative employers and employed organisations in the different trades. But, as in so many other directions, although it may be easy enough to obtain the acceptance of general principles, it is very difficult to get them applied.

As a result of these preliminary conferences, Ashfield from the Board of Trade, Roberts from the Ministry of Labour and I agreed in January, 1918, on the functions proposed for such councils and on a plan of campaign. Hundreds of meetings were held up and down the country, and Sir Ernest Benn, Bart., was the champion and leader in the enterprise. In co-operation with Greenwood in the office, he devoted himself wholly to the work, and I believe he is as convinced to-day as he was then of the immense services that could be rendered to industry in very many directions by Joint Industrial Councils under able leadership. Many other men participated, and some of them, like Sir Herbert Rowell, of Messrs. Hawthorne Leslie's, and Girouard, on the North East Coast, were largely responsible for pushing the campaign in different districts, and we received an enormous amount of assistance from the Press.

It would be tedious to sketch the vicissitudes and adventures which many of us had in meetings up and down the country in the different trades, but in those days there was a general recognition of the soundness of the principles recommended by Whitley's Committee which smoothed the way for us. Some industries, before many months had passed, were equipped with bodies capable of adjusting themselves to what was required, but we found in many others so many cross-currents, local and other jealousies, that we had to be satisfied, when we could not secure the appointment of a Standing Industrial Council, with the setting up of provisional bodies which we described as Interim Industrial

**Rèconstruction Committees** In some industries it was insisted that the Joint Council must be confined to labour and kindred questions, and that technical and commercial issues must be dealt with outside of it. We had to accept what we could get, although there were a good number of trades which gave very wide powers to their Joint Councils, and the functions, as assigned to the Joint Industrial Council of the pottery trade,<sup>1</sup> may be referred to as a good example of these.

I always used to regard, perhaps, as our greatest triumph, the establishment of a central body to deal with commercial and technical questions for the iron and steel trade, and we owed this mainly to the good offices of Mr G Scoby-Smith and of that splendid and powerful representative of that great industry, Mr Wallace Thorneycroft, who joined my Priority Council.

A Maritime Board came into existence under the auspices of the Ministry of Shipping, thanks largely to Chiozza Money, Alfred Booth and Bevin, but to this day we still find the Port of London Authority behind the times, having taken no effective steps to achieve the decasualisation of labour, which, as Lord Shaw found in 1920, is a discreditable and inhuman institution.

Nevertheless, owing to the activity of Benn and his missionaries, Wormald and his trade bodies, our Priority Council, and to other efforts, we were pretty well equipped, long before the end of the war, with bodies competent to deal with most of the intricate questions that belonged to the demobilisation period, for the policy of the Priority Council was to saddle as much work as possible on to the trades themselves, and thus hasten the day when permits, licences and the rest would disappear.

By the middle of 1918 we began to have a stream of visitors from overseas, particularly from America, to examine and report upon our proceedings, and we flattered ourselves that we were as well prepared as anybody else. I am tempted to quote an entirely unsolicited testimonial that came to us through Stephenson Kent from the British Embassy in Washington.

*December 31, 1918.*

"As far as I can discover, nothing is being done about Reconstruction and no real steps are being taken to absorb the returning soldiers. Of course, the flooding of the labour market here will not be nearly so serious as it would be in Europe, as there will be such a tremendous demand for labour that most of the returning soldiers will be easily absorbed, but still some trouble is certain to develop. There is already some bitterness appearing between employers and employees, as the former are not concealing the fact

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<sup>1</sup> Appendix, No. 12.

that they hoped to reduce wages and lengthen hours At present, however, the situation is too obscure to do more than guess at the future

" Everyone I have seen is amazed at the completeness and efficiency of the British reconstruction programmes, and they are all bewailing the fact that they have not been able to produce anything themselves on these lines "

In this country little or nothing was heard of the work of the great body of civil servants, financiers, industrialists, labour representatives and others who had laboured for eighteen months to prepare staff plans for ensuring a rapid restarting of industry and the avoidance of wholesale unemployment for a long period after the close of hostilities It has ever been a dangerous period after a great war, and the history of 1919 was very much determined by the signal success that attended their efforts

The greatest tribute of all was that things worked so smoothly and well that they attracted no attention, and thus, I believe, is the first occasion upon which any detailed and considered statement has been published on the subject



## CHAPTER XV

### SOME POST-WAR DEVELOPMENTS

Rural Developments—Transport—Maybury—Douglas Newton—Agricultural Co-operation—Canals—Power Supply—The Land Settlement Proposals—The Cabinet Committee—Fate of the Proposals—Afforestation—Housing—Controversies during 1917 and 1918—Finance and Building Materials—Eric Geddes and Carmichael—Summary up to December, 1918

**T**HE preceding chapter has shown that much of the time at the Ministry of Reconstruction, which, according to current report, we were spending in building castles in the air, was occupied by commonplace and very matter-of-fact problems. At the same time we were charged to prepare for the Prime Minister and the Cabinet a programme of future policy

We set out to apply the same methods as were being applied to industrial questions, and to avoid submitting proposals unless they had been preceded by a careful examination of the case by those competent to make it and accompanied by proposals as to how the policy could be made effective

It is not my intention to prolong this story into the post-war period, and therefore it is necessary on many topics to do little more than to mention that we worked at them and that the results of our labours contributed to the programme that was put before the people in December, 1918. To do more than this would only be to half tell the tale. This especially applies to the proposals that were worked out on land settlement for returned soldiers, on afforestation, on mines policy, transport, housing and others. Unfortunately too often also, it would be to unfold a story of lost opportunities and of carefully prepared work spoilt by the sudden interposition of spectacular but unsound expedients. The sequel of the great uplifting and wider vision of the war has been as disappointing at home as it has been abroad.

In one case—that of the Ministry of Health—the termination of the war was immediately followed by the passage into law of a Bill providing for it, and an account of what preceded that event may be told with some fullness; but a brief reference to most other topics must suffice.

## RURAL DEVELOPMENTS

It will be remembered that an important feature of the war was the formation of County Agricultural Committees, the business of which, generally, was to promote production and good husbandry. Proceeding from this basis, and with much help from the Right Hon. Henry Hobhouse on behalf of the County Councils Association, most of the County Councils appointed Committees to survey the possibilities of practical developments. Many of the schemes, I suppose, are still in the pigeon-holes of their offices, they represent the work of thoughtful men of all parties, who readily devoted themselves to the task. The spirit of reaction is the custodian of their projects. Prominent, as would have been expected, amongst all these schemes was the need for improved transport facilities in rural areas. From September, 1917, onwards various disjointed transport questions were referred to us, and three things stood out prominently amongst them: they were, first, the complete lack of any comprehensive oversight of our transport requirements, second, the grievous deficiency of transport for market gardening and for farmers' requirements, and, third, the costliness of existing services. General Maybury had already come home to take charge of road traffic, and with Major Walker (from the firm of Messrs Pickford), and others he got together an able body of assistants. Both he and Lord Montagu of Beaulieu, as road enthusiasts, bubbled over when explaining to me the vast developments that were both possible and needed, and I managed to secure for Maybury a first claim on the steam-rollers and road-repairing machinery which were being used in France and which would be a god-send to the road authorities at home at the conclusion of the war. Maybury was charged with the preparation of schemes for road development, first because they were so greatly needed, and second because we should thereby be provided beforehand with schemes which could be used for the relief of unemployment in the event of there being a long waiting period between the cessation of hostilities and the full restarting of industry.

Sir Douglas Newton, M P, joined my staff and took charge of the section of the office which dealt with rural and agricultural developments. Apart from his experience in the Cambridge-shire County Council, Newton possesses the advantage of having conducted for some years farming and market-gardening operations on a large scale with thoroughly up-to-date and scientific methods. In company with experts from the Board of Agricul-

ture, he prepared the best thought-out scheme of light railway development for appropriate rural areas that I have seen. The general plan was modelled on the system adopted in Belgium, it being proposed that under a Central Transport Authority the provision of a light railway system should be a State and County Council joint affair, and the system was to be worked by being leased to operating companies on agreed terms. Detailed plans, for example, were prepared with the consent and approval of Ernle and the Board of Agriculture for the instalment of a system along the roadsides in the market-gardening area in the Biggleswade district, feeding the Great Northern Railway at that place. Complete arrangements were made for the utilisation of spare light railway material from the stocks available in France, the types of rails, engines and trucks having been carefully scheduled. I only mention this as one of a considerable number of projects, both for the provision of light transport, land reclamation, drainage, etc., that were prepared in considerable detail in those days and which for the most part are still available.

#### TRANSPORT AND POWER

It is a great pity that the County Agricultural or Development Committees have been allowed to be disbanded. My notes show that one day in March, 1918, at a breakfast of Conservative Ministers at Derby's which I was invited to attend with the Prime Minister, these questions were discussed and there was complete unanimity that some body of people should exist in association with the County Councils, armed with considerable powers not only to secure good husbandry but to devise plans for improving transport facilities and for promoting agricultural and rural development. There are infinite possibilities of usefulness before such bodies properly constituted, and I for one am entirely sceptical as to the agricultural population on their own initiative ever developing those co-operative systems that are universally acknowledged to be so desirable. The formation of them will have to be promoted by some public and authoritative body. They will still go on sending a dozen milk-carts and a dozen men and a dozen horses from the same village to the nearest station or town, when a single light motor would do the whole of the work in less than half the time of one of them.

The Reconstruction Council spent a long time with representatives from the Board of Trade in exploring the possibility of the establishment of a central authority to deal with all transport questions. Something at least has materialised from the

work of that time in the establishment of the Ministry of Transport and in the excellent road-work of Maybury. The Board of Trade had a Committee which examined the question of the nationalisation of railways, but it was a half-hearted and timid affair. It is fair to say, I think, that the general consensus of opinion amongst us all at that time was in favour of some form of railway nationalisation, but the general disposition amongst those who had examined the subject with care (although some men, like Hichens, never moved, I think, far from the point of private ownership and management) was to look forward not so much to national management but rather to a scheme of national ownership coupled with the capacity to encourage transport development, with the working devolved upon operating companies. It is true that during the General Election of 1918 Churchill boldly announced that we had decided in favour of 'nationalisation of railways,' but I never knew what he meant by nationalisation, and I do not expect that he knew himself.

As an allied branch of this transport problem we were confronted with a most disappointing enquiry. Sir Maurice Fitzmaurice made a complete report upon what could be done in the development of our canal system with a view to developing the canals themselves and having available schemes against times of unemployment. If anyone wants to read a convincing and dramatic demonstration of the results of the happy-go-lucky system of the development of transport facilities, he should read Fitzmaurice's report on British canals. The vast majority of the canals will not accommodate barges of anything like a big enough tonnage; even in the few cases where they could take good-sized barges the banks are often so constructed that they would not resist for long the vibration of self-propelled vessels. Many of the canals have been constructed in independent sections, so that, whilst a portion of a canal may take perhaps a good-sized barge, we find that it comes up against a bottle-neck, several miles long, perhaps, of another section of canal of smaller dimensions, independently owned and constructed. Then, again, the water supply for many of the canals is insufficient, even if the canal were enlarged, to support heavy vessels. With the exception of the system leading into the Severn, that runs through the Midlands, the Aire and Calder Canal, and one or two others, it was the most disappointing document that I think I ever received. But there was no escaping from the deady and detailed truthfulness of it.

The possibilities of power development as they emerged from Mr. Chas. Merz's Sub-Committee on Electric Power Generation,

when taken along with Sir Archibald Williamson's Committee's suggestions to the Board of Trade upon the *supply* of electricity, presented a cheering contrast as to future possibilities in comparison with our inefficient canals. It is true that Electricity Commissioners have been appointed, but we have only tinkered with the subject up to the present. No more practical body of men could well be imagined than those constituting the Coal Conservation Committee.<sup>1</sup> There was nothing of the feather-brained socialist about many of them. They furnished a humiliating exposure of our lack of the use of science in developing our own resources, and it is to be hoped that some day these various reports and recommendations will be unearthed and some effectual attempt made to give effect to them.

#### SETTLEMENT OF EX-SERVICE MEN

Coming back to land and rural development questions, we established a Panel to deal with land settlement, small holdings, rural industries and kindred subjects, under the chairmanship of Sir Leslie Scott, and from October, 1917, onwards, I worked hand in hand with Ernle in preparing a detailed scheme for promoting the settlement of ex-service men and others after the war. Our joint proposals were submitted to the Cabinet in April, 1918. They were referred to a Sub-Committee, under Cave's chairmanship, consisting of Ernle, myself, Mr. Robert Munro (Secretary for Scotland), and the late Mr. Hayes Fisher (Lord Downham). Subsequently Captain Pretyma was added, and Long took an active interest in our proceedings. I must confess that when I saw the strongly Conservative character of the Sub-Committee my heart sank as to the fate of our proposals, for they lacked nothing in their comprehensiveness, and contained some very drastic provisions. It speaks volumes for the influences of the war that they subsequently emerged in a report to the Cabinet with a new system of compulsory acquisition, where necessary even of extensive tracts, for the purposes of gardens, allotments, small holdings, housing and otherwise. They represented the results of nearly twelve months' hard work by practical men, combined with endless references and conferences with local authorities, agricultural, labour and other representatives. In the end they were as completely and effectually torpedoed as any set of projects prepared for the post-war period.

I have reproduced in the Appendix<sup>2</sup> some of the essential features of the scheme in the form of resolutions agreed upon,

<sup>1</sup> See Appendix, No. 13.

<sup>2</sup> Appendix, No. 14.

but it is sufficient here to relate that there were two governing principles, apart from details of legislation and machinery. Our first purpose was to provide a scheme whereby small holdings and cottage allotments could be steadily and effectually developed as, after courses of training or upon enquiry, men were found to be fitted to occupy them. We were unanimous in avoiding a grandiose and spectacular scheme, for every one of us knew how these things must of necessity be the subject of progressive and steady development and that in the enthusiasm of the moment multitudes of men with no previous knowledge or training in rural life might rush into this class of occupation and thereby bring reaction and disappointment.

The second principle was equally important, and I cannot state it better than in the terms of one of the resolutions—

“ That, in view of the present financial position, land for this purpose should be acquired by County Councils, on long-term leases or in consideration of a payment of an annuity based upon an estimate, by a perpetual rent-charge to be redeemable at the option of the purchaser and to be guaranteed on the County rate, and that cash payment should be permitted for the acquisition of the interest of a tenant ”

It was the violation of this plan of purchase by the payment of a perpetual rent-charge rather than by a lump sum payment so carefully worked out and that, in spite of its novelty as a basis of compulsory purchase, obtained the approval of the Cabinet Committee, that led to the lamentable failure we have since witnessed. It was certain that a system based upon purchase outright would mean the raising of such huge sums that, as people came to realise our straitened financial position, the movement would be brought to a stop. We went out of our way to provide against a time of post-war reaction by designing a scheme which would enormously diminish the capital commitments. In my notes of some of our proceedings I see that we were amongst the prophets, for we commented upon the possibility—if purchase outright were the basis of the scheme—of a time coming when the operations would be pulled up for lack of finance, and we should be found with thousands of deserving and approved applicants all over the country waiting for the land that had been promised them and which they were pronounced fit to use. This is exactly what has happened. The reason is that in the clamour for dramatic things at the General Election in December, Ernie, with the support of the Prime Minister, notwithstanding the report of Cave's Committee, applied for a grant of £20,000,000 for the purchase of land outright, and it was rushed through. To put it briefly, it knocked the bottom out of the whole carefully prepared scheme, for it substituted

acquisition by complete purchase for acquisition on the basis of the payment of a perpetual rent-charge. Before long, in the following years, the money was exhausted, and although additional grants were made, thousands of men who had been passed, after a rigid scrutiny, as approved applicants, were left unprovided for. These men have received large sums of money in unemployment donation, and they have added to the multitude of those whose hearts are sore from hopes that have been disappointed. Perhaps it was good electioneering to earmark the £20,000,000, but it was bad policy.

#### AFFORESTATION

The story of the afforestation schemes is not quite so dismal. We have at least got a strong Central Forest Authority. The complete plans and accurate survey that was made of the land suitable for afforestation are in the Forestry Office, and some day, perhaps, an enlightened administration will enable effective progress to be made. We know how our food supplies were imperilled during the war by the need for the continued shipment of millions of tons of timber. It is true that we cannot produce what we require, under any afforestation scheme, until the time, perhaps, of our own grandchildren, but the life of a nation is long, and the trees will never grow unless they are planted.

#### HOUSING

Something of what happened during 1917 and 1918 in regard to housing should be told here, although a full account of what happened then and the story of our efforts after the war would project this narrative too far. It has been an unlucky business for myself as well as for many others, but most of all for those brave fellows to whom we held out such high hopes at the General Election of 1918. Some, at least, of our misfortunes are traceable to what was done, or left undone, between July, 1917, and the end of the war, although I have no desire to attribute to them any unfair share of responsibility. When I entered on my duties as Minister of Reconstruction, Salisbury was already at work on the subject of Housing with a strong and representative group of people, and it was on the basis of their recommendations that the proposals I framed were submitted to the Cabinet. The story begins in July, 1917, with the issue of a memorandum by the Local Government Board of an extraordinarily invertebrate character. Downham was authorised to issue it by the War Cabinet, and the effect of it was that he promised Local Authorities "substantial financial assistance in the development

of housing provision after the war." Anyone who knows anything of local government will recognise that no action is likely to be taken on the mere promise of "substantial financial assistance" some time or other. The very shrewd town clerks and officers, as well as the chairmen of most of the committees of Local Authorities, are only too familiar with phraseology of this character. The result of the circular was a considerable number of enquiries as to what it really meant, and that, in effect, was its only result. The Local Government Board appointed a Committee under Sir Tudor Walters to advise as to the character of future housing provision from the point of view of construction, lay-out and so forth, and the report of Tudor Walters' Committee still remains an exceedingly valuable public document. Cost prevented us during 1919 and 1920 from endeavouring to give effect to many of their recommendations, but the report marks a departure from old housing standards, and the standards adopted after the war will, I think, prevent us ever slipping back into the crowded and jerry-built ideals of earlier periods.

Salisbury advised me in August, 1917, that one of the most serious difficulties that would arise in providing houses, whether by private enterprise or in other ways, in sufficient numbers, would be the scarcity and high price of building materials, and that it was necessary to lose no time in preparing against it. I therefore enlisted the services of Sir James Carmichael, who had been helping us at Munitions, and, after a good deal of persuasion, he undertook to prepare a plan of operations. The terms of reference and the membership of Carmichael's Committee are shown in the Appendix,<sup>1</sup> and, later on, I shall return to the fate of his proposals. From the very beginning Salisbury and his colleagues were emphatic that nothing short of a comprehensive plan would be likely to evoke any effective response and that progress would be particularly difficult in rural areas. Their report<sup>2</sup> was available in October, 1917, but the Local Government Board objected to its publication on the extraordinary ground that it would encourage authorities to do nothing of themselves. At that time I was pressing the Local Government Board to establish an organisation to explore the housing needs of different districts, to select sites for building, to get forward with plans and so forth, for I was very emphatic, as were the whole of my advisers, that, unless this preliminary spade-work was undertaken

<sup>1</sup> See Appendix, No. 15.

<sup>2</sup> "Housing in England and Wales," "Memorandum by the Advisory Housing Panel." Published in 1919 Parliamentary Paper, Cd. 9087



before the end of the war, the lack of it afterwards would prevent any effectual progress being made for at least twelve months. Our proceedings, I am afraid, developed a considerable amount of acrimony, as the following extract of my note of a conference with Ernle, Downham, Munro and Duke, on November 29, 1917, shows clearly enough—

"The whole point of the matter is that, as Hayes Fisher said, all the Local Authorities together have not erected on an average more than 5,000 houses a year. The present proposal is that they should be responsible for at least 300,000. The point that I make is that it will be quite impossible with their existing agencies, either for the Local Government Board to satisfy themselves or for Local Authorities to advise, where the houses are wanted, to get the plans passed and the schemes sanctioned in time for going ahead with the work. The Local Government Board apparently think that they can do a job sixty times greater than before with three men and a boy. After our discussion, Hayes Fisher more or less agreed to my proposition that the nation, as a whole, will have to be responsible, especially in rural areas, if we are to get the Housing Scheme on the way at all."

The proposal of the Local Government Board at that time was to try and make arrangements on the best terms they could with different Authorities. The objection was that as soon as ever any inequality arose trouble would come with it, and if, subsequently, rural or poor Authorities received better treatment than others there would be a demand for a revision of the previous bargain. What I was pressing for was that a certain number of Housing Commissioners should be set to work forthwith on ascertaining needs, obtaining sites, preparing plans, etc. I am afraid our relations became strained over this issue, and Long came in as peacemaker. At a little meeting that we had, on his initiative on December 5, 1917, he assured Downham that he had worked with me a lot and that I was not a malevolent fellow, that the Ministry of Reconstruction had no authority or desire to do jobs itself, but that it was its business to secure the preparation of adequate plans. Downham and I got on very much better after this, but progress was still prevented by the vagueness of the previous promise of financial assistance. I am sorry to say that during 1918, notwithstanding persistent pressure, nothing was done in the way of appointment of Commissioners or in the preparation of plans, as had been urged, so that in summarising the position in January, 1919, I had to report to the Cabinet that for all effective purposes we were starting from scratch, with all the delays and difficulties which we had forecasted in October, 1917.

The next stage in the development of this subject was in March, 1918, when the collected memoranda and proposals of all of us

were considered by the Cabinet. The Local Government Board then pressed for authority to issue a Circular translating into definite terms the previous offer of financial assistance—the general idea being that the State should contribute 75 per cent. of the annual deficit, with power to increase it up to a 100 per cent., less the proceeds of a penny rate, where the authority was poor. At the same time it was proposed that a Bill should be introduced conferring powers to provide houses upon County Councils. The proposed Circular had two clauses which, with the support both of Salisbury and Bonar Law, I contended would render the whole thing valueless. They were as follows—

“Owing to the financial exigencies of the time and the number of objects for which money will be required by the State, the assistance available must, it is feared, be limited in amount as well as in time, and one object of the Government will naturally be to secure the erection of as many houses as practicable where they are most urgently required

“In communicating their proposals for financial assistance, their lordships expressly ask that it may be made quite clear that the precise date at which the execution of any schemes approved by the Board can be commenced must depend on circumstances which cannot at present be foreseen, and that the financial position may be such that it may be necessary to give precedence to the more urgent cases even to the exclusion for the time being of the less urgent ”

To these proposals I offered the most vehement opposition on the ground of their insufficiency. It was right enough to confer upon County Councils the power to provide houses, in common with the Borough and the District Councils, but, as we knew only too well, the mere power to do a thing was very far different from the exercise of it. My chief opposition, however, was on the ground of the two clauses quoted. The following extract from my note of that day sets out the grounds of this opposition—

“This means that there is no *obligation* for the Treasury to provide facilities. The whole thing is conditional. We have no right to make statements which will arouse hopes that may not be fulfilled. As it stands it is an inducement to delay hoping for a subsequent fall in building prices. Moreover, small authorities cannot raise loans without assistance. Further, the scheme does not impose any *duty* upon the authority. It would therefore fail to secure the two essentials, prompt provision of houses *when* and *where* required

“Salisbury's proposals are preferable because they involve—

“ (1) That the State will accept a definite responsibility

“ (2) That a definite responsibility would be placed on the Local Authorities

“ (3) That the Local Government Board would have power to carry out the work and recover the cost from the Local Authority on default

- " (4) That the Central Authority would be enlarged forthwith to deal speedily and effectively with the vast amount of work that will be thrown upon it
- " (5) The Central Authority would have power to control the capital expenditure
- " (6) That the State, in order to secure economical construction and at the same time give assistance, would guarantee for a period of seven years to make up by subsidy the difference between the rentals received and the outgoings. At the end of that time the houses would be valued and the Local Authority receive as grant the difference between the cost of the houses and the ascertained value. Loans at a low rate of interest must be advanced to those unable to raise them themselves

" In order to secure economy the valuation shall be based on the cost of building, so that if the place has been extravagantly built the extravagance will still exist in the building and would remain a charge upon the authority

" The Government also should have authority to sanction rents, standard of lay-out and design, limiting the number to the acre—12 in towns, 8 in country—and that forthwith organisation should be set up to secure the necessary machinery for obtaining land, preparing plans, and so on "

The result of these adverse criticisms was that the earlier of the two clauses above quoted was omitted from the Circular, but in view of the fact that the Circular still contained this majestic expression, " Their lordships expressly ask that it may be made quite clear that the precise date at which the execution of any schemes approved by the Board can be commenced must depend on circumstances which cannot at present be foreseen," neither Salisbury nor I anticipated that anything substantial would result from the Circular, as, indeed, it did not.

There was a good deal to be said for the proposed scheme of assistance on a 75 per cent basis, as compared with the proposal that I recommended with the support of Salisbury's Committee. The objection to our proposal was that a considerable period would elapse before the final extent of the Local Authorities' responsibility could be determined, but it clearly provided that the extra cost entailed by prices prevailing in the post-war period, as compared with the cost when seven years had expired, would be accepted as a national charge. It had also been accepted as sufficient after many conferences with representative leaders of Local Authorities. Downham's proposal was certainly preferable to the scheme that was ultimately adopted, for both his suggestion and mine contained within themselves incentives to economy.

No substantial results followed this Circular of the spring in 1918, and the situation remained practically stationary until shortly before the close of the war. The next event was the presentation of the report of Carmichael's Committee on building materials, shortly

before the Armistice With infinite labour and with the co-operation of all the branches of the trades concerned, Carmichael and his colleagues had made an investigation of all the brickyards in the country and of other sources of supply of building material. He created in every district arrangements that only required Government sanction for them to begin to function whereby local building material production organisations, in touch with the Local Authorities, would have come into existence. A considerable demand for building materials in other directions was confidently prophesied by Carmichael, and in view of the fact that the production of bricks in the country would need to be more than doubled if sufficient supplies were to be forthcoming for the housing programme, with a reasonable allowance for other purposes, his scheme provided for our help to finance and foster arrangements for opening up new brickyards and for increasing the production of those that were in existence As a part of this programme, the War Office arrangements had been adjusted so that brickmakers and other essential workers could be demobilised quickly. I made a passionate fight to secure the adoption of his recommendations and was heartily supported in it by Smuts, who had been dealing with other demobilisation questions, but the report was considered during the General Election period—with its short cuts and impulsive scrapping of carefully thought-out proposals The programme of Housing was to remain, but the proposals of Carmichael's Committee were consigned to a Committee presided over by Eric Geddes (who had then been placed generally in charge of the processes of demobilisation at home), and they were thrown overboard. Every one of us who knew anything about the subject vehemently protested Carmichael was almost in tears and prophesied with literal accuracy what would happen. Geddes in those days was playing the part, not of an economist, but of a hustler, and decided in favour of the Ministry of Munitions being the supplier of building material, but, unfortunately, without munitions powers of control of costs I have scarcely known anything which created more widespread disgust than this reckless scrapping of all the arrangements Carmichael had made for fostering local production all over the country.

Sir Auckland Geddes, whilst head of the Local Government Board, recommended that both my financial proposal and Downham's should make way for a simpler one, namely, that the State should make good all the losses over and above the proceeds of a penny rate. This plan was simpler, but it removed altogether any incentive to economy.

These were the conditions in January, 1919, when, being still

determined to do what I could to promote Housing, I became responsible —without Housing Commissioners and without plans prepared or land acquired, without the power to foster the production of materials, and with a financial scheme that contained no penalty upon extravagance beyond what the Central Department could impose through administration.

## CHAPTER XVI

### THE STRUGGLE FOR A MINISTRY OF HEALTH

The General Case—Rhondda's Memorandum—Milner's Cabinet Committee, April, 1917—The Sub-Committee's Report—Negotiations with the Approved Societies, Local Government Authorities and Medical Men—The Poor Law Question and the Pledge—The Draft Bill before Cabinet—Further Delays—Protest to Lloyd George—The Home Affairs Committee Stage—Criccieth Visit—Cave's Consultations with Physicians and Surgeons—Recommended again to the Cabinet—More Postponements—Final Assent—Morant and Heseltine—Rhondda—Thomas and Kingsley Wood

**T**HE struggle that went on behind the scenes for nearly two years to secure the establishment of a Ministry of Health is a good example of how difficult it sometimes is to secure the passage of an effective reform, even when, as in this case, it is supported by public opinion and by men of all political parties. It was, in short, the struggle of the old Local Government Board with its old parochial disposition against an inevitable and much-needed development.

From the time of the Insurance Act onwards some of us, particularly Morant, Newman and myself, had looked forward to the establishment of a strong Central Health Agency. The application of medical knowledge, in so far as it could be applied only through public agency, was lagging grievously behind the advance of knowledge. If that knowledge was to be applied, as it could be, to the improvement of the national health and to the prevention of sickness, it necessitated the gathering together into one directing agency of that medley of health services which was scattered throughout Government departments, the Board of Trade, the Home Office, the Privy Council and the Insurance Commission apart from the main Health Department at the Local Government Board.

The conditions which had developed during the war had immensely strengthened the considerations which were in existence before it occurred, and I do not know that I can express the point better than by quoting from one of the memoranda which I submitted to the Cabinet later on—

"Without such a Ministry we are fighting with divided forces against the evils which menace the nation's health, some of them already upon us, others

certain to arise as a result of the war We have to repair the ravages of battle and the diminished resistance to disease caused by excessive work and strain among non-combatants , we are faced already by a grave shortage of hospital accommodation, even for men discharged from His Majesty's Forces , we ought to provide for the harmonious development of extended health services for mothers and infants , we ought to be forearmed against the spread of dysentery and malaria and other diseases which may follow the return on demobilisation of the millions who have been exposed to such infection "

The definite movement for the establishment of the Ministry began in January, 1917, and, in speaking of Lord Rhondda, I have told how, as a result of our conversations on this subject, he lunched with Newman and myself on January 16, and the case for the Ministry was put before him Rhondda at once realised the importance of the idea as an essential preliminary to the progressive developments of health policy, and in March, 1917, he circulated to the Cabinet a paper on "The urgent need for a Ministry of Health" In the following April the suggestion was referred for report to Milner and Henderson as members of the War Cabinet I myself was associated with them, together with Rhondda and Sir Edwin Cornwall, Bart., M P , who was then Chairman of the Insurance Commission. For some reason which I could not divine, Cornwall had become possessed of the idea that a Ministry of Health would be inimical to the interests of the Approved Societies under the Insurance Act, and our first meeting resolved itself largely into a duel between him and Rhondda on this point. Rhondda suggested as a compromise that he should take over the administration of medical and sanatorium benefit only , but this was clearly unworkable Milner and Henderson had no patience with narrow views on the subject and insisted on looking at it from the point of view of health. At an adjourned meeting Montagu attended with us, as Chairman of what was then known as the Reconstruction Committee. Milner, Montagu and Henderson suggested that I should preside over a small Sub-Committee and make them a report upon the subject from the health point of view only. Accordingly with Sir Walter Fletcher, F.R S , Mr F. W. Goldstone, M P., Mr John W. Hills, M P., and Mrs Beatrice Webb the case was explored again, although it was already pretty familiar to some of us. Thanks largely to Heseltine, our Secretary, Milner received the report of the Sub-Committee on May 14. Cornwall made a vigorous onslaught upon us again ; he was obsessed with the views of a small section of industrial societies and neither he nor they had given the case full consideration, as the sequel showed. After a second meeting on May 23, Milner decided that he had heard enough and sent

forward our report to the War Cabinet, endorsing our recommendations *in toto*.

The scheme, therefore, with definite recommendation behind it had now got as far as the Cabinet, and I used my best efforts to secure its consideration. It came up early in June, but Lloyd George was so much impressed with the case urged by Cornwall, that he decided to adjourn it until he himself had seen a deputation of the Societies. From June to September the subject simmered, and Morant made it his business to put the case before the representatives of the Societies. By October I think even the small section who were reported to have objected began to realise the obvious truth that anything which went to diminish sickness and to promote the good health of their members, so far from imperilling their funds, would strengthen them. On October 11, Lloyd George received a deputation of the Insurance Societies, with Cornwall, myself and some others, and it was evident that for the first time they became aware of what the case really was. At the end of the meeting Sir Kingsley Wood, M.P., came to me and asked me if I would try and negotiate an agreed Bill. Nothing could have been more welcome, but it was necessary to be assured in advance that the body with whom I was to negotiate fully represented the Societies. They therefore arranged for a body that was given full authority to negotiate with me on behalf of all the Approved Societies, and the Rt. Hon. J. H. Thomas, M.P., was appointed Chairman. This was the position when Bonar Law replied to Dillon in the House of Commons, on October 18, 1917, that—

"The various difficulties, needed to be provided for in the establishment of a Ministry, had not reached any widely agreed solution, and that so long as this was so it was not possible to undertake to introduce a Bill "

But he added that—

"Steps were being taken which would, he hoped, secure substantial agreement amongst those who were actively engaged in the work of national health "

My meetings with the representatives of the Insurance Societies began in November, 1917, and continued at intervals until nearly the end of March, 1918, when final agreement was reached. The Insurance Societies have often come in for a good deal of criticism, particularly from medical men, but I can honestly say that I have never conducted a complicated negotiation with any wider-minded or more public-spirited body of men. They were naturally anxious that their funds should be safeguarded. On this there was no



difficulty, and the delays that occurred early in 1918 were not on their account, but owing to the necessity of my obtaining from the Government a definite pledge as to its attitude on the health services attached to the Poor Law.

A Committee on the Poor Law, under the Rt. Hon. Sir Donald Maclean, had been arranged for and was on the eve of appointment when I became Minister of Reconstruction. Their business was to—

“ Consider and report upon the steps to be taken to secure the better co-ordination of public assistance in England and Wales and upon such other matters affecting the system of local government as may from time to time be referred to it ”

They reported <sup>1</sup> in December, 1917, whilst the negotiations with the Societies were being conducted, and one of the most important of their recommendations was that certain health services should be transferred from the Poor Law to other authorities, with a view to the consolidation and improvement of health services and their removal from Poor Law considerations. The Societies wanted to know not only what the functions of a Ministry of Health would be but how it would stand in relation to the Poor Law. For this purpose, Heseltine prepared a memorandum showing all the present public health services and who performed them. There was no substantial difference of opinion for long about most of them or to what ought to be done, but the Societies vehemently objected to be associated with the existing Local Government Board because, they contended, it was so much dominated by Poor Law considerations, and their consent was made conditional upon some satisfactory assurance from the Government of their intention to separate health services from the Poor Law. A good deal of my time during January and February, 1918, was occupied in getting this pledge into precise form and securing the consent of the Prime Minister and the Cabinet. In the meantime, Sir Francis Liddell, Mr. M. L. Gwyer, C.B. (now the Legal Adviser to the Ministry of Health), with the assistance of Morant and Heseltine, went ahead with the preparation of a draft Bill.

The pledge on the Poor Law was in the following terms as quoted by myself in introducing the Bill for the first time on November 7, 1918 <sup>2</sup>

“ I am authorised to say that the Report of the Local Government Committee, presided over by Sir Donald Maclean, on the transfer of functions of

<sup>1</sup> Published Jan., 1918, C D 8917 Price 3d., H M Stationery Office

<sup>2</sup> *Parliamentary Proceedings*, Vol. 110, 1918, col. 2340.

Poor Law Authorities in England and Wales has been carefully considered by the Government, and that the Government accept the recommendations of the Committee, that all services relating to the care and treatment of the sick and infirm should not be administered as part of the Poor Law but should be made a part of the general health services of the country, and that the Government regard it as a matter of urgency that effect should be given to these recommendations as soon as possible . . ."

The pledge was again embodied in the proceedings on the Ministry of Health Bill, in 1919, and constitutes, I am afraid, one more of the promises of the General Election Manifesto of 1918 which were not made good.

There were two other influential organisations with whom I had to discuss the subject and try and arrive at an agreement, they were the representatives of the Local Government Authorities throughout the country and of the Medical Profession. At the beginning a good deal of suspicion was entertained by some of the representatives of the Local Authorities at the inclusion of Insurance, and a meeting with them at the Local Government Board on Maternity questions early in January revealed that some influential men in that department did not discourage this disposition. Notwithstanding this, and mainly owing to the good offices of Hobhouse and Sir Robert Fox, a body representing the County, Borough and District Councils was got together charged to negotiate with me, and when it came to discussing the matter on its merits we arrived at an understanding with surprising ease. The same can be said of the representatives of the British Medical Association. A part of the arrangement was that Standing Advisory Committees to the Ministry should be formed to secure that the Minister was kept in touch with informed outside opinion. I have always been a strong supporter of the general idea of associating such bodies with Government departments, for they constitute one of the best safeguards against the Minister or the department becoming too much dominated by departmental considerations and losing touch with outside opinion.

The discussions with these three groups progressed so satisfactorily by March, 1918, that a draft of the proposed Ministry of Health Bill and a memorandum explaining it and reporting that agreement had been obtained was circulated to the Cabinet. At the same time I was able to report the concurrence of the associated Government departments, although I am afraid that the Local Government Board, with no option but to concur on merits, disliked the proposed amalgamation as much as ever. About this time, however, I was called upon to secure understandings on the provisions that would have to be inserted with regard to Scotch,

Irish and Welsh conditions, and by the end of April this had been accomplished. It was also agreed, on the friendly suggestion of the late Sir Norman Moore, Bart., President of the College of Physicians, that I should discuss the matter with a united Committee of the Royal Colleges of Surgeons and Physicians and of the Society of Medical Officers of Health.

From April to June, 1918, the proposal was on the agenda of the War Cabinet and two of my colleagues with strong Local Government Board affinities lacked no ingenuity in bringing forward good reasons for its postponement. The subject altogether had now been before the Cabinet for more than twelve months; indeed, twelve months had elapsed since the proposal had been strongly recommended for adoption by a Committee of the War Cabinet, under the chairmanship of Lord Milner. It had been adjourned, first on one occasion and then on another, for me to bring forward evidence that, first this, and then that body of interested persons had been satisfied. There had been no objection in principle from anyone, and, long before June, I was being constantly approached by representatives of the Local Authorities, of the Approved Societies and others to know when a decision was likely to be arrived at, for those who had appointed them to negotiate with me were naturally anxious to know what had resulted. In a following chapter I shall have to say something of the method of conduct of Government business during this time, but an outburst of mine over the repeated postponements of this question, together with others, was contained in a letter to the Prime Minister on June 5. The letter explains itself, and is as follows—

*June 5.*

DEAR PRIME MINISTER,—

I am well aware that your mind is rightly occupied with great problems connected with the conduct of the war. As you know, I have at all times sought to be as helpful as I have had any opportunity of being in connection therewith.

But you are our Chief Minister, and, as such, hold responsibility for the proceedings and policy of the Government, whether at home or abroad.

At your request, I have undertaken a big task which is an honour to anyone and a great joy to me, provided I am able to get on with it.

The difficulties arising out of the war unfortunately are not confined to the field of battle. They exist in great numbers at home and require to be dealt with. If the members of the War Cabinet have their time and mind so occupied that they cannot

attend to vital matters at home, it does not, in any way, detract from the importance of these matters, but it does indicate that, as a Government, our machinery is inadequate. I have pointed this out many times during the past twelve months, and I propose—if only as a final effort—to submit, separately from this letter, a memorandum on the subject.

The action, however, which you took in the full Cabinet on Thursday last in connection with the Ministry of Health Bill was unfortunately only the last of a number of somewhat similar kind, and it compels me to enquire, in connection with the work on which I am engaged, whether I can look to you for sympathy and support, or not.

The consideration of this particular matter was postponed for the fourth time, and, in this case, after it had been accorded, at the express direction of the War Cabinet itself, the second place at a meeting specially called to deal with the business of the Agenda.

This proposed Bill deals with a vital matter which ought to be arranged before the end of the war. It represents months of negotiations and final agreement with representative and important bodies arising, apart from the importance of the subject itself, out of pledges which you yourself made both to Lord Rhondda and to the Deputation of Insurance Societies and Committees which met you towards the end of last year. I am confident, moreover, that the proposals would command widespread public support. The departmental obstruction to them comes only from a department which, in my view, is perhaps the least helpful of all our departments—either to you personally as Prime Minister or to the Government as a whole.

I will not, however, deal in this letter with wider questions, notwithstanding that the experiences of the last six months, in connection with Housing, Registration, Home Rule and other matters, offer tempting opportunities for doing so.

Things are now heaping up in such a way and so many matters are nearly ripe for decision that—with what, I am afraid, I must characterise as the brusque treatment which I received from you on Thursday last—I am compelled to enquire what hope there is of my being able to deal with them. With a substantial measure of support from yourself, this can be done—without it and without the possibility of obtaining the consequential decisions, there is only muddle and disappointment before us, and the loyal support which I have always endeavoured to afford you will become of no avail.

I should do less than either duty or self-respect required did I

fail to tell you of these things without delay and solicit from you an expression of your views and intentions on the subject.

Yours sincerely,

CHRISTOPHER ADDISON.

On Lloyd George's return from France the following day he sent for me and we had a long conversation on many matters beside the Ministry of Health. That subject is referred in my notes as follows—

" . . . As to my own affair he was exceedingly friendly and not in the least offended at my letter. I told him that, not for a moment did I wish to take his mind off war issues, but that he had given me a very big job to do and I was entitled to look to him for support in getting it done, that I wanted his support in the main issue of the Health Bill and other matters, and, whilst the war is—and must be—the dominating issue, he ought to be careful not to leave his friends without support. He promised me, without reserve, unqualified support, on the condition that I would not expect him to devote his own mind to these issues, which, of course, I never contemplated, but I pointed out to him in the long talk we had, and he concurred, that we must have a body of men to consider in a methodical way home affairs, otherwise, we were only heaping up difficulties for ourselves."

My protest of June 5 led to the formation of the Special Cabinet Committee to deal with home affairs, and this marked the opening of another section of the Ministry of Health story. The proposals now had to be thrashed out in another Cabinet Committee, and they reached the Agenda of the Home Affairs Committee on July 9. After considerable struggle, with the help of Munro, Fisher and Roberts, I got it arranged that special meetings should be held to deal with it, but no substantial progress had been made until July 23, when another series of conferences was interjected into the proceedings, and Cave, as Chairman of the Home Affairs Committee decided to receive a deputation of the Royal Colleges of Physicians and Surgeons, and had promised, apparently, that they should have the opportunity for discussing the draft of the Bill before it was proceeded with, and the deputation was not likely to materialise before the end of August.

Another shot in the locker of the opposition was to bring up Auckland Geddes, who was Minister of National Service, to object to the provisions relating to research on the ground that it should be Imperial and not National. They had evidently badly coached him, for when he found that we had already met his point in advance by putting the Medical Research Committee under the Privy Council with the deliberate intention of keeping it clear of departmental considerations and freely able to work for the Colonial Office, the War Office, or anyone else on any question likely to

need research, whether at home or in the Dominions, he immediately withdrew his objection. It was becoming too late in the year to think of passing a Bill through Parliament, so that I pressed for permission to have it formally introduced under the ten minutes' rule in order that its provisions could be made public and the Government committed to it. I then had to meet opposition on the ground that no such Bill as this had been introduced under the ten minutes' rule, but I found that Long himself had introduced the Representation of the People Act under the ten minutes' rule, and the objectors had then to set about thinking of something fresh. After three meetings in the last part of July and on August 2, the Bill passed through the Home Affairs Committee and was recommended to the Cabinet, subject still to its friendly reception by the Conjoint Committee of the Medical Colleges and any unlooked-for incidents.

During the month of August I paid a visit to the Prime Minister at Criccieth, and Milner was a fellow-guest. From the very beginning Milner had given the proposal his hearty support, but the Prime Minister expressed his desire to hear what Lord Dawson of Penn (then Sir Bertrand Dawson) had to say about it. We got hold of Dawson on the telephone and he arrived on the evening of August 22 in company with Milner and Hankey. I had not previously had opportunity of discussing it with Dawson, but he proved to be as keen as Milner and myself, and, thanks to his good offices and to that of Mr F G Hallet, the Secretary of the Conjoint Board of the Royal Colleges of Physicians and Surgeons, I was able beforehand to supply the proposed deputation with all the matter they wished to consider before meeting Cave. As I fully anticipated, the opposition to the measure received no support whatever from the deputation of the Royal Colleges, on the contrary, in very courteous terms, they hinted that it was a wonder that the Government of the country had not done this kind of thing before.

This was the last stage in the proceedings before the Bill was sent back once more to the Cabinet. On Wednesday, September 11, after a report of the deputation from the Royal Colleges, the proposed Order in Council, the Poor Law Declaration and the draft of the Bill were all formally approved by the Home Affairs Committee. By that time I believe every one of my colleagues had become as irritated and impatient with the prolonged delays and pettifogging obstructions to which the proposal had been exposed as I had myself. A recurrence of postponements at the War Cabinet occurred during October, and the responsibility for them must attach to Lloyd George. The category of things postponed by that time had become a very large

one, and highly dangerous so far as critical demobilisation questions was concerned. The story of the spirited and dramatic events of those weeks must be taken by itself in a separate chapter. As a result of the action which will be then described, it was possible at last to get decisions on this and many other matters. Bonar Law had been one of the most consistent supporters of the proposal from the time that his early misgivings had been removed, and the fact that there was not, and indeed never had been, any effective or reasoned opposition, did much to determine his action on November 4, when he sent for me and told me, on behalf of the Prime Minister, that the Ministry of Health Bill was agreed to and that I was to introduce it in the House of Commons under the ten minutes' rule, on Thursday, the 7th.

A year and eight months had elapsed since Rhondda had sent in his memorandum on "the urgent need for a Ministry of Health." The difficulty had not been with people outside—it had been purely internal. There was no discordant or hostile criticism in the House of Commons or in the Press.

On Friday, November 8, Lloyd George sent for me to talk over political issues and men. He asked me if I should like to be Health Minister, and I said that I should. He thereupon undertook that if the Government was still in power, I should introduce a Health Bill at the beginning of the next year and be appointed to that office. The last words of my note of that day are these—

"I hope, therefore, that this great matter is at last on the way to fulfilment."

There are two men inside Government circles who should be mentioned, for they did far more than anybody else in helping me to pilot the proposals through the almost interminable series of negotiations. They were Morant and Heseltine. Many and many a time Morant was inclined to despair. He said more than once "You will never get it through, Addison; they will be too many for you." But, whenever any fresh obstacles were encountered and had to be overcome, Morant would work like a slave. His ingenuity, his knowledge and resource were unbounded. It was due more to him than to anyone else that we received the whole-hearted confidence and support of the Approved Societies under the Insurance Act. He knew local government through and through, and of course he had all the intricacies of insurance at his fingers' ends. He was fiercely resentful at the pettifoggish opposition we often encountered. There is no man that I have ever known in the public service who took a larger-minded view

of the real functions of the public service. His dominant motive was to devise an agency which gradually would enable us to apply knowledge in the prevention of sickness and disease. Morant was a great man.

The other man, Michael Heseltine, now Assistant Secretary at the Ministry of Health, had, I believe, as wide a knowledge as Morant himself, although, of course, he had not the same commanding position in the Public Service. As an ingenious draftsman he is one of the most skilful. When he let himself go he was delightfully caustic over some of our opponents, but nobody at other times was a better example than Heseltine of the truth that silence is often one of the most potent ingredients of successful diplomacy.

Rhondda's work at the Ministry of Food, and afterwards his illness, prevented his taking a very active part in the proceedings, but I should like to quote the last letter that he ever wrote to me, because it relates to this subject. It is as follows—

LLANWERN,

NEWPORT, MON.

May 16, 1918

MY DEAR ADDISON,—

I have now had an opportunity of reading the Draft Bill for the creation of the Ministry of Health. I entirely agree with its provisions, and for what my opinion is worth, I consider it a very well drafted measure. The omission of the words "and Local Government" in the title and the proposal for an Advisory Council are both very sound.

You are most welcome to tell the Cabinet that the measure in its present form has my hearty approval, and with some knowledge of public feeling in the matter, I am satisfied its passage into law would be a most popular act on the part of the Government.

With every hope that you may succeed in getting Government sanction for its early introduction,

Believe me,

Yours very faithfully,

RHONDDA

There were two men outside the circles of Government who were foremost in helping us; they were, J. H. Thomas and Kingsley Wood. J. H. Thomas was largely responsible for rallying and rendering vocal the strong support which the proposal needed in Labour circles, and once the case had been clearly put forward, Kingsley Wood threw himself heart and soul into supporting it amongst the powerful Approved Societies. I



very much doubt, in view of the determined and skilful opposition, or rather obstruction, which the proposal met in Government circles, whether it would have been possible to secure acquiescence for it when we did, had it not been for the strong body of outside support that these gentlemen did so much to mobilise.

It will be many years before the social consequences of the policy embodied in this Act can possibly be manifest. The consequences of the State taking *direct* concern in promoting the health of the people will exercise its influence imperceptibly and in a thousand directions. As knowledge advances and the arts of its application improve, the potentiality of public service before the Ministry is incalculable. The health of a child or of a grown-up person is no side-show in its life. It is a continuing and controlling factor, and the overt recognition of this truth by the State, whatever may be our blunders and difficulties in seeking to apply it, will come to be regarded like so many other things that are intrinsically of the greatest importance. People will say, like the deputation from the Royal Colleges "Why was it not done before?"

## CHAPTER XVII

### MILITARY ISSUES AND POLITICAL RELATIONS IN 1918

Ministerial Discontents—Need of Changes in some Commands—Asquith's Attack on the Versailles Decision—Its Political Effect—Summary of Events leading to the Versailles Decision—The Military and the Civil Power—Wilson and Rawlinson—The Maurice Debate and its Effects—Demands for a Post-war Programme—Guest Hope of avoiding a Liberal Split—Government Weakness and Indecision—Vacillations over Ireland—A Summary of Proceedings—Long's Committee—Indeterminate Results—The Two Post-war Programmes of July—Drift and Indecision till October—The Question of an Election—The Register—Downham's Resignation—The Election of December, 1918

**T**HE events of the war during 1918 were controlling influences on national policy as they had been before, in many cases they determined the issues themselves and always imposed limitations upon what could be done concerning them. Certain incidents of an adventitious character connected with war affairs were unnecessarily projected into our political relationships, especially between Liberals, and they had an important share in shaping the course of future events. They had their origin in Army Staff questions in February, and their issues in the dramatic events that followed from the opening of the German offensive at the end of March.

A good many of us outside the War Cabinet were very critical of what we regarded as a lack of firmness in dealing with inefficiency in some of the commands. The conduct of the offensive in the autumn of 1917, persisted in so long through the slush and mud, with so great a sacrifice of life and with such very inconsequential results, made us very restive at the continuance of some men in commands. It was overwhelmingly obvious that there were plenty of officers with brains and ability in the Army, if they had their chance, but the stupid handling, for example, of the tanks in the autumn operations and the fruitlessness of an enterprise from which we had been encouraged to expect so much, made many of us impatient with the War Cabinet, as the month of January was slipping by and the changes were not effected.

Suggestions have been made from time to time to the effect

that the War Cabinet or the Prime Minister sought to dictate the plan of military operations. So far as I know, they never had any vestige of foundation, and the *procès-verbal* of the conferences at Versailles and elsewhere effectually seem to dispose of any such suggestion. The contention of the so-called Westerners that the issue of the war would only be decided by the defeat of the enemy's main armies was little more than the assertion of a fairly self-evident axiom, but in view of the experiences of the offensive of the autumn of 1917, we were all very critical as to the methods that were being adopted to give effect to this essential purpose. With the reports of the proceedings before us, there was, I believe, complete unanimity of opinion amongst us that Haig ought to be better served in some of the important commands. The obvious deficiencies in the process of following up after the splendid initial success at Cambrai were sufficient evidence of the improvement that was urgently needed in some of the Staff work, and it was on account of the failure to insist on necessary changes that many of us were discontented with the War Cabinet in January, 1918. Many of the higher commands, and even a great majority of the brigades, were filled by officers dominated by pre-war traditions, and we were insistent that steps should be taken for making room for some of the new men who had proved their worth.

On January 17 some of us who were outside the War Cabinet had a lunch together to discuss the question—Churchill, Fisher, Barnes, Roberts, Rothermere and myself. I do not believe that there was any difference of opinion that the need of the moment was to give men of brains a chance in the higher commands rather than to draft additional men into the ranks if they were to be used as they had been in the recent autumn offensive. We therefore unanimously agreed to represent to the Prime Minister our emphatic opinion as to the necessity of creating a number of vacancies, both in the divisional and corps commands, so that room could be made for younger men who had made good and had mainly derived their experience from the new armies. If the vacancies existed, we were perfectly confident that the Selection Board would make good appointments.

The next event was a sequel to the conference at Versailles at the end of January that dealt, amongst other things, with the disputed question as to the extension of the British line and agreed to the establishment of an Inter-Allied Reserve, with Foch as President of the directing Executive Committee. The attack made by Asquith in the House of Commons and his cross-examination of Lloyd George in his best Old Bailey manner on February 12 and 19, were unexpected and unfortunate lapses from the stan-

dards of criticism he had hitherto adopted. The case against the Versailles decisions was as feeble as could be, but it was evident that some of the statements in the Press and Asquith's questions in the House could only have been based on information directly supplied by disgruntled members of the Staff. It was much more a personal issue. The form of the challenge of the policy decided upon at Versailles was in essence a Staff challenge of the Supreme Civil Authorities. If it had been declined, it would have meant that the War Cabinet was to be dominated by great soldiers outside. It was no use rendering lip service to co-ordination, consultation and so forth, when for months there had been a failure to reach effective agreement as to the length of front the French and ourselves respectively should occupy and a complete failure to establish any real unity of direction. The governing purpose of the decision at Versailles was to atone for divided counsels and dispersal of effort, for, notwithstanding our superiority on the Western Front over the German armies, both in rifle strength and in guns, that superior strength had hitherto been ineffective. The need for a body of men, consisting of the best soldiers that could be found, who would be endowed with executive authority over an Inter-Allied Reserve, was just as much an outstanding need of the time as an improved efficiency in some of the commands. The failure to give the Government support on these things—so urgently and obviously required and which involved no party political issues of any sort—had more to do with intensifying the subdivision amongst Liberals and committing us to the unfortunate situation that characterised the General Election of December than any other event, except the original formation of the Lloyd George Government itself. The intervention of Asquith at this time and subsequently on the occasion of the so-called Maurice Debate in May angered the Liberal supporters of the Government, just as much as the formation of Lloyd George's Government itself had embittered the Liberal supporters of Asquith. The refusal of Field-Marshal Robertson, although he had been a consenting party to the Versailles decisions, to accept the necessary consequential modification in the powers of the Chief of the General Staff so as to accord with the duties to be attached to the British representative at Versailles, his resignation of the post of C.I.C.S. and refusal to serve on the Inter-Allied Executive, under Foch, was regarded by most of us as a challenge to the Civil Authority. His final acceptance of the decision and of the Eastern Command did much to minimise this impression so far as he personally was concerned, but the fact that Asquith had taken a line which, if it meant anything, was in favour of a continuance of the former discordant and

ineffective arrangements was a circumstance of the utmost political importance.

The resistance to giving practical effect to the decisions of Versailles, coupled with the inspired Press campaign against it—of which Repington's article in the *Morning Post* was perhaps the most direct and explicit expression—and the support of Asquith, nearly led to some resignations. Smuts was then in Egypt and Carson had resigned, so that the War Cabinet was as weak as it was at any time. For effective purposes it consisted of Bonar Law, Milner and Lloyd George. The situation also was rendered worse than it would have been by the deplorable misuse of the Press on both sides by which a vitally important war decision was turned into a controversy of a personal character. So far as the Press campaigns went, there was nothing to choose between the two sides: the sections of the Press that were attacking Robertson were clearly as much inspired on the one side as the *Morning Post* as champion of the Staff view on the other. The whole thing was disgusting and deplorable and might well have resulted in frittering away a decision which, as the course of events showed, was as important and valuable as any that had been taken during the whole course of the war. It might easily have resulted in some lame and impotent compromise, dictated, not by the merits of the case, but by personal considerations.

In order to appreciate the situation it is necessary to make a small departure from the general scheme of this book by giving a short summary of the events that had led up to it. In June, 1917, Wilson, as the Head of the British Mission at the French G H Q, gave a serious warning as to the state of the French Army, and warned us that, in view of the comparative strength of the two armies, they were feeling that they were being called upon to occupy an unfair proportion of the front, and that we should be asked before long to take over more of the line. In July, as a report of M Abel Ferry showed, the feeling was general throughout the French armies, and Ferry went so far as to talk even of serious discontent and a movement towards peace. Wilson advised us that when France "asks us later on to take over many miles of her front, we must do so with as good a grace as we can." M Painlevé raised the question as an urgent one at a conference at Boulogne on September 25. Haig had previously contended that in view of his proposed autumn offensive he must keep his troops behind his own front, and now that operations had begun, the need was greater. Foch at that time did not appear to look for very great results from Haig's offensive, and I am afraid that a good many of us at home, deeply impressed by the failure at Cambrai, were not very hopeful

either Haig, however, took the point that aggressive movements had now come to depend most of all upon the efficiency of the British troops, and in October he reported that "neither the French Government nor the Military Authorities will venture to call on their troops for any further great and sustained offensive efforts, at any rate before it becomes evident that the enemy's strength has been definitely and finally broken." In view of the rôle destined to be played by the British troops, he objected to taking over more of the French line, and he was supported in his objection. Haig and Petain could not agree on the subject at that time, and, on the visit to London in October of Painlevé, Franklin-Bouillon and Foch, Franklin-Bouillon urged the necessity of a meeting between the two Prime Ministers, Foch, Robertson, Petain and Haig to deal with it. The pressure of the French for relief and for labour for the harvest operations of next year was very persistent, but Haig had in mind that there would be a further vigorous offensive in the spring of 1918 apart from the needs of the autumn offensive. The differences on this subject influenced the discussions in November in favour of the establishment of the Council at Versailles. Lloyd George also, in general support of Haig's reluctance, urged that the whole thing must be conditional upon an understanding as to the future course of operations. Haig's difficulties at that time were added to by the Austrian invasion of Italy and by the diversion of French and British divisions for the help of the Italians. Notwithstanding this, during November Haig offered to extend his line, and the military representatives at Versailles early in January, 1918, recommended that the junction of the British and French forces should be on the left bank of the Ailette and the Laon-Soissons road, but the exact dispositions were to be left to the two Commanders-in-Chief. At the end of January the Prime Minister and Milner were authorised to have full authority to deal with the questions on our behalf, and the minutes of a conference of these two, at the Hôtel Trianon, on January 29, with Robertson, Haig and Wilson, show that Lloyd George agreed to support Haig, who also reported that he had agreed to extend his front, first to the Oise and then to Barisis, and Petain confirmed this. At the meeting of the Supreme Council on the following day, in view of the agreement between Haig and Petain, the time and method of extension of the front was left to arrangements between the two Commanders-in-Chief, and it was not until February 8 that the Cabinet at home knew that the British line had, in fact, been extended to Barisis.

The formation of the Inter-Allied Reserve and the Executive under Foch was considered by the Supreme Council on February 2,

and was attended by Lloyd George, Milner, Wilson (as the permanent military representative), Haig and Robertson, and the constitution and functions of the military body under Foch that was to command the united reserve were agreed as follows—

*Resolutions.*

1. The Supreme War Council decides on the creation of General Reserves for the whole of the armies on the Western, Italian and Balkan fronts

2 The Supreme War Council delegates to an executive composed of the Permanent Military Representatives of Great Britain, Italy, and the United States of America, with General Foch for France, the following powers to be exercised in consultation with the Commanders-in-Chief of the armies concerned—

- (a) To determine the strength in all arms and composition of the Central Reserves, and the contribution of each national army thereto
- (b) To select the localities in which the Central Reserves are normally to be stationed
- (c) To make arrangements for their transportation and concentration in the different areas
- (d) To decide and issue orders as to the time, place and period of employment of the Central Reserves
- (e) To determine the time, place, and strength of the counter-offensive, and then to hand over to one or more of the Commanders-in-Chief the necessary troops for the operation
- (f) Until the movement of the General Reserve begins it will, for all purposes of discipline, instruction and administration, be under the orders of the respective Commanders-in-Chief, but no movement could be ordered except by the Executive Committee

Neither the minutes of the meeting nor the subsequent proceedings lend any support to the suggestions that either Lloyd George or Milner was trying to exercise the functions which properly attached to a Chief of a General Staff under a Commander-in-Chief. They were responsible for general war policy and they had behind them a number of colleagues who, whilst enthusiastically supporting the principles of the agreement at Versailles, were discontented at the continuance in command of some Generals of very questionable efficiency.

It therefore became the duty of the Government to give effective shape to what had been agreed upon at Versailles, and at the time of Asquith's attack on Tuesday, February 12, on the Debate on the Address the arrangements were still incomplete. Who had coached him up, I cannot say, but so far as his speech went, if it meant anything, it was an objection to the Executive established under Foch. Asquith was all in favour of co-ordination, but it appeared that as soon as the co-ordinating body was to be able really to co-ordinate, then it became subordination. So far as I have ever been able to understand his case, the body under Foch would have been paralysed from the start. No sooner had the

conference of the Supreme Council been disbanded than all sorts of reports and misgivings began to find their way into the Press. In order to give authority to the British representative on Foch's executive, some modifications were necessary in the powers of the Chief of the Imperial General Staff at home. For a time both Curzon and Robert Cecil were disposed to be hostile to the arrangement and to support Robertson's objections to the modification of the powers of the Chief of the Staff, as proposed in the new Army Council Order, and the whole thing at the time of the Debate was still in the melting-pot. Two days later Robertson declined to accept the offer of Chief of the Imperial General Staff with the modified powers, or the position of our representative on the Versailles Body. On the previous Saturday, however, Haig had paid a visit to England and was reported to have agreed with Lord Derby as to the new modified powers, though it did not appear that this agreement and its sanction by the Secretary of State was generally known until the following Thursday. After Robertson's refusal of the offer at Versailles the post was offered to Plumer, and he declined it, and on the Friday Robertson's opposition appears to have received further support from Haig who suggested a visit for further discussion of it. During the whole of this time it was perfectly evident that the opposition was being diligently coached, and I think most of us were fully convinced that it had developed into a concerted military attack upon the civil authority. However, on the Saturday, the matter was brought to a head; Cabinet misgivings ceased, Wilson was appointed C I G S., and by the following Monday Robertson had accepted the Eastern Command, Rawlinson had been appointed to Versailles, and Haig had loyally accepted the decision. The public discussion of this affair was an undisciplined and unworthy performance, and I think the character of it as it developed during the week following the Debate in Parliament had as much to do in consolidating Ministers in a resolve to give rapid and immediate effect to the Versailles decision as the rightness of the decision itself. The whole incident would have had no political effect had it not been because of the open and active support that it received from Asquith, and the sequel on the occasion of the Maurice Debate in May strengthened it.

Whatever may have been its political effects, its military results were splendid and are written in history. In Wilson and Rawlinson we had, I think, the two soldiers who, for disciplined and scientific outlook, stood out as pre-eminently fitted for the posts allotted to them, and the association of them with Haig as Chief in executive command was an ideal combination. Rawlinson always struck me as the most far-seeing of all our Army Commanders: I cannot



pretend to have had many personal dealings with him, but I remember that after long conferences with the Chief Commanders in France—whilst on a visit there in 1917, as Minister of Munitions—Rawlinson, although we were only discussing future plans as to the balance of munition requirements, character of men, training and kindred questions, seemed to have a blunt, wholesome, sensible and strange exactitude, and was able to see further into the future than his chief colleagues. Wilson had all along taken a view as to the character of the German operations for 1918 different from that both of Haig, Robertson and Petain, and Foch had agreed with Wilson. Petain had anticipated a threefold German attack, and his dispositions were made accordingly. His anticipations were that the attacks would be on Haig, in the Cambrai district and on the French in the Champagne and towards Verdun. Even for two days after the opening of the German offensive on our Fifth Army he still clung to his previous view so far as the likelihood of an attack in the Champagne was concerned. The disastrous effect of the attack upon us at the end of March was undeniably increased by the dispositions made to meet these mistaken anticipations. No efficient reserve under Foch's Executive had been formed at that time and it meant at least three or four days' delay in bringing up the reserves. There were still, in fact, two armies—not one. Wilson had prophesied a German attack with some ninety Divisions, south of Arras, and forecasted the necessity of a reserve being formed of thirty Divisions to meet the blow.

The story of that great offensive, of the wonderful rally of our troops and of the incomparable services of Foch and his Executive have been told, and will be retold, no doubt, by those well qualified to do so. The support of the Americans and the triumph of shipping organisation that accompanied it, whilst determining factors, did not begin to exercise a decisive influence until after June and nothing could have been more ill-timed than the recurrence of a political attack on May 9. Judgment ought to have been suspended at that time in the case of those, who, after the calamities of the Fifth Army, had been removed from their Commands, until we had some breathing space, for the Germans were still pressing hard upon us and the defence was by no means consolidated. General Maurice's statements were made use of for a political attack when Foch's reserve was beginning to make itself felt and when he and Haig were co-operating splendidly in resisting our enemies. It was the worst possible occasion on which to translate military events into political controversies. It could not be made other than a question of confidence; and the aggrieved expressions

which some of the followers of Asquith made use of afterwards, complaining that the Government insisted on regarding it as a Vote of Censure, betrayed a lack of a sense of proportion and of the real gravity of the circumstances of the time, that is still incomprehensible. General Maurice's statements were regarded as implying that the Cabinet had failed to give full support to the demands of the Staff. Neither then nor since have I been able to find any evidence in the records that this was so. It was an elementary duty for the War Cabinet to require a good case to be made out for proposed plans of operations, and we had been sadly disappointed more than once. Nobody wanted a repetition of the Paschaendale performances. At the best, Maurice's allegations might perhaps have provided a fit subject for enquiry afterwards, but to make a Vote of Censure out of what Bonar Law or the Prime Minister may or may not have said in answer to questions weeks before was an act of extraordinary political folly and it exasperated the supporters of the Government more than any previous incident.

The intensification of political bitterness that these proceedings provoked is to be traced in the political relations of the different parties as they developed during the remainder of 1918, but in recording them it is necessary to go back a little from the events just referred to.

All through the troubles and disputes over man-power in 1917, and despite the continuing scarcity of food supply, a definite public demand had gradually been developing that the lessons of the war, as revealing the need for social and industrial betterment, should be made use of hereafter. It is true that war expenditure was based upon borrowed capital, but the humaner existence which multitudes of people began to have an appreciation of in consequence of better wages and regular work produced an extraordinary consolidation of demand for a progressive domestic policy. People had seen what could be done when we were driven to it in the presence of an enemy, in developing improved working conditions, the advantages of improved education also, especially on its technical and scientific side, were prominent as never before to the consciences of a great many of the people. Running through it all there was an increased assertiveness of democratic forces in workshop and industrial organisation, and the events in Russia profoundly influenced them.

In a conversation with Lloyd George on January 1, 1918, I impressed these considerations upon him and urged the need for a group of Ministers to be set aside who would have authority to consider such problems. It was not enough simply to talk about

war policy and war aims ; we must show that we were prepared to deal in an effective and comprehensive way with social needs as revealed by the war. The necessity for my suggestion was increased by the fact that Lloyd George was contemplating even then the necessity of asking Milner to undertake the War Office because of his pre-eminent fitness to deal efficiently with Staff issues. Milner's removal from the War Cabinet and from the oversight of reconstruction questions would be a serious loss, for he seemed to have a readier apprehension of the need for being beforehand with the reconstruction matters, than any others of his colleagues except, perhaps, Carson. Carson, however, because of his relationship with the Ulster Members and in view of the divisions in the Irish Convention, felt his continuance in the Cabinet to be impossible, and resigned.

On January 28, Gordon Hewart, Guest, Conway and myself, had breakfast with Lloyd George before his departure for France, and he concurred in the need for the preparation of a future programme, and suggested that he should have a meeting with his Liberal supporters to discuss the situation. The prospect of any general agreement was worsened by the participation of Asquith in the parliamentary attacks already referred to, and on February 13 Gordon Hewart, Guest and I dined together and concocted a letter to Lloyd George urging the importance of the establishment of a Policy and Campaigns Committee. But there were divisions in the Conservative Party at that time just as much as there were amongst Liberals, and the discussions and newspaper campaigns associated with the Versailles business led to a fairly strong movement against Lloyd George. The odious system of supplying newspapers of different sides with semi-confidential stuff that was made use of in the development of personal attacks reached its climax of degradation about that time and affected many discontented Conservatives. But it was scarcely possible to be surprised at anything, and there was a meeting of discontented Conservatives to consider what should be done, but with Bonar Law, Balfour, Milner and others thoroughly loyal to the Government, and convinced of the rightness of what had been done at Versailles, nothing could come of it. There was no alternative leader, and even if there had been he would have found himself very perplexed if called upon to state the reasons of his opposition on anything except personal grounds.

Very soon the success of the initial German attack eclipsed these movements, and there was a marking-time generally until the Maurice Debate of May 9. After that incident a meeting was called by Guest of some of the chief Liberals, and a strong dis

position was manifested to persist still in refraining from any overt action that might consolidate divisions amongst Liberals. It was my own emphatic view that, whether it consolidated divisions or not, the Government ought to get out of the region of personalities and state definitely what they stood for. We could then see who was with us and who was against us, and my concluding note of the meeting is in these words—

“Personally I am not convinced that this is altogether the wisest course to take having regard to longer considerations, but it is not possible to press objections against the strong feelings of one’s colleagues, especially as they admit the immediate necessity of formulating a post-war programme”

With Liberals, however, even amongst his own supporters, Lloyd George’s position at that time was not as strong as it had been. His lack of decision over Irish policy after the conclusion of the Convention and the projection into it of the issue of conscription in Ireland as the result of the urgent need for more men after the disasters to the Fifth Army, imposed a severe test upon the loyalty of many Liberal supporters of the Government, and our weakness in that respect was increased by the lack of response to the demand for some exposition of the attitude of the Government on post-war aims. Lloyd George was extraordinarily reluctant to allow any of these matters to come to the stage of decision. The state of the war, of course, dictated the necessity of avoiding any provocation of discords, but this state of indecision was a growing weakness to the Government.

Two chapters have already been written on Ireland, but a brief outline of the half-hearted proceedings of 1918 should be interposed here as illustrating the changeableness of purpose that perplexed so many of us. Carson resigned early in the year. The Ulstermen on the Convention were, if possible, more than usually recalcitrant during January owing to there being some prospect of agreement between the Southern Unionists and the Nationalists, and I gather that they did not leave Carson much peace whilst he was in the Cabinet. His position was very difficult, and he told me that he thought that he would have more influence in promoting a settlement if he were outside the Cabinet than in it. He was certainly very sensible of the importance of there being a settlement if possible. During February the proceedings of the Convention were substantially at a standstill and Lloyd George himself seemed disposed to think that nothing could be done. I, myself, intimated to him in strong language—as did some of my Liberal colleagues—that an attitude of that kind would fail to carry our support, and at a Cabinet meeting it was agreed definitely that letters should

be sent to the Ulstermen and to the Convention from the Prime Minister emphasising the importance of an All-Ireland Parliament and suggesting that for the safeguarding of Ulster interests there should be an Ulster Committee with the power of veto on Irish legislation as applied to Ulster and power to adopt British legislation if desired. There was no particular enthusiasm for the Ulster Committee suggestion, but it held the field at that time, and the letters were approved.

The weeks trickled on, and at the beginning of April we had before us the report of the Convention. The Government was definitely pledged to introduce a measure embodying the findings of the Convention if there was "substantial agreement," and, failing that, to introduce its own Home Rule proposals. It could scarcely be said that the findings of the Convention represented substantial agreement, and there was more than one private meeting of Liberal Ministers who were firmly resolved to apply pressure for the production of a Home Rule Bill.

In April, however, in consequence of the disasters in France and the urgent demand for extensive enrolments, there came the proposal to apply Conscription to Ireland. Duke warned us that it would be received with the most vehement opposition, but the understanding at the beginning of April was, that Conscription should be applied to Ireland, and that a Home Rule Bill should be passed through at the same time. Notwithstanding our previous solemn pledges on Home Rule, the unfortunate position developed that Home Rule and Conscription somehow depended upon one another. Lloyd George's announcement of the proposed application of Conscription to Ireland on April 9 provoked an outburst and the promise of strong opposition, including that of Asquith. During the next three days there were conferences between the Liberal and Labour Ministers, and on their behalf, I saw Lloyd George on April 12 and strongly impressed upon him our insistence on proceeding with Home Rule proposals. He agreed to appoint a Committee to draft a Bill, and it was appointed the following day, Long being the chairman, the other members being Curzon, Cave, Duke, Chamberlain, Fisher, Hewart, and myself. Following these there were two meetings of the Committee and we made no headway. Cave and Long still saw all kinds of difficulties and objections, and the three of us, who were Liberal Members, met and decided not to retreat from our determination to press for the production of a Bill, and Duke was thoroughly sympathetic to us.

On April 16 the Prime Minister suddenly decided to instruct Long himself to draft a Bill and submit it to the Committee. I made a vigorous protest to him against this procedure, because

the understanding was that the Committee was to work on drafting the Bill, and it was fairer, both to the chairman and to ourselves, that we should be in at the moulding of it. However, that was decreed to be the procedure. On the same day we had before us a most urgent despatch from Reading in America representing the strong feeling that was being aroused there against the application of Conscription to Ireland and the damage that was being done to us by the failure to make good our pledges to produce a Home Rule Bill and to go on with it. Duke also reported that there was a great intensification of hostile feeling in Ireland and an increasing disposition, in view of the proposed application of Conscription, not only to resist Conscription, but to resist a Home Rule Bill in the compromise forms hitherto considered. This strong feeling in Ireland was not difficult to understand substantially it was on the lines that Redmond had warned us of so clearly the year before. It amounted to this—

We rallied in vast numbers to the Colours at the beginning of the war with the assurance of Home Rule, but our recruiting enthusiasm was snuffed out. For the last two years, in spite of all manner of specific pledges and the sacrifice of the Nationalist Party in the interests of a compromise that we were assured had been agreed upon, we have been presented with a succession of unfulfilled promises. Now the only thing that appears to be certain is that you cannot agree upon a Home Rule Bill of any sort but propose to force us to fight when you have deliberately refrained from making good those promises which were the main incentive of our willingness to do so.

The lack of consistency inside the Government was further manifested towards the end of May by the beginning of pressure to scrap all our previous promises and to substitute a Federal scheme. How anyone could ever persuade himself that we could have adopted a Federal system during the course of the war I have never been able to understand. A good many very impatient notes of mine show that I regarded it merely as another hare that had been started, but leading Conservatives in the Cabinet and the rest of us decided to adhere to our decision to go on with the Home Rule Bill.

At the end of April, Duke retired and I personally was charged to see Shortt to invite him to become Chief Secretary, on the specific understanding, repeated by the Prime Minister and Long, that we should go on with the Home Rule Bill. Duke was tired of it, and there was no wonder. Long was instructed by the Prime Minister to put everything else on one side and to go on with drafting the Bill. His draft came before us on April 29 and some of its Ulster

clauses were strongly objected to by some of us on the Committee. On May 3, Churchill, Fisher, Gordon Hewart and myself agreed that we should consistently oppose any Order in Council applying Conscription until determined progress was being made with the Home Rule Bill in Parliament. From that time onwards it was generally agreed—and, no doubt, mainly in consequence of this decision—that it was useless to proceed with the attempt to apply Conscription as things were

I need not detail the further meetings and adjournments, but, early in June, in consequence of his experiences in Ireland, Long was disposed to recommend that we do not proceed further with the Home Rule proposals. My comment of June 4 is as follows—

“ I am convinced that if, within a few weeks of our having pledged ourselves in the most solemn manner to bring forward Home Rule proposals, we now abandon them without the Cabinet Committee even having sat down to consider in detail the latest draft of the Bill, it would be utterly discreditable ”

There had been hours of general talk, but an extraordinary aversion to getting on with the business. By June 19 this process of drift—with the Prime Minister, I am sorry to say, heading the drifters—made some of us begin to think that, after all, we should get nothing at all unless we tried, notwithstanding our aversions, to get something out of the Federal idea. The note of the meeting of June 19 that prompted this last despairing thought is as follows—

“ The sum and substance of it is that, at the present time we can neither enforce Conscription nor have the pluck to pass a Home Rule Bill that would be acceptable. I have heard a good many incoherent discussions, but never one worse than this ”

All through, notwithstanding their general aversion to Home Rule, Balfour and Curzon strongly supported those of us who were for sticking to our pledge, and, as a result of renewed pressure in July, Long's Committee held a further meeting and recommended to the Cabinet, in this order of preference, that we should have a Home Rule Bill,

(1) On the lines of the Curzon, Duke, Addison Bill of last year, and, failing that,

(2) Lord Long's proposals of the present year.

This was as far as the subject got in the month of August, 1918. It never got any further that year.

To revert from Ireland to the similar lack of determination as to future policy. Guest and I again represented to the Prime Minister in July the danger of this continued drift. In consequence

of a conversation on July 12 we had a meeting with some fellow-Liberals (whose names had been suggested by the Prime Minister) to discuss once more the question of a programme. They were absolutely solid as to the necessity of Lloyd George taking a firm line not only on Ireland but on Land Settlement and other questions, and of his being able to state a programme in sufficiently general terms. I myself was appointed chairman of this meeting and of a Sub-Committee that was then appointed to draw up and submit the draft of a programme. The draft was submitted to a further meeting on July 19. With immaterial alterations it was approved of, and it was arranged that I should bring it up before the Prime Minister. At the same time, through the co-operation of Bonar Law, a number of Conservatives prepared their draft of a future programme.

No one at that time knew whether there would or would not be a General Election, but the impression left upon most of us was, after the Maurice Debate and with a knowledge of strong dissension amongst Conservatives, that nobody felt any confidence in the continuance of the life of Parliament. Some of the more progressive and emphatic of the Conservatives, like Lee, were very urgent as to the necessity of trying to reach an agreement over programme during the Reconstruction period. I think Lee rather hoped that one result might be that some of the "mandarins," as he called them, would be got rid of. Personally I never anticipated that this would result, as they were not of the resigning sort. The draft programmes were, of course, the subject of a number of conferences, and three days later, on July 26, Gordon Hewart, Guest and I submitted the Liberal proposals to Lloyd George, and they were generally approved by him except that he expressed a wish for something more specific on Mines policy. Although there was a great similarity in the outlines of the two programmes, Lloyd George still failed to arrive at an understanding with Bonar Law, and the position of Guest, as Chief Whip, with regard to Asquithian Liberals was extraordinarily difficult. He still maintained the line of action he had persistently pursued for twelve months, namely, to refrain from taking any overt action in the constituencies, and he could therefore give no effective reply to the request, made to him by Younger, as to who was to be opposed, and by whom, in the event of agreement on an election.

There was, however, a general agreement as to post-war reconstruction policy, and those of us who had been in charge of this section of the case could carry it no further. It must be determined by the Chief. Nobody could say who was a friend and supporter



and who was not in the absence of a definite and public pronouncement on general aims.

During August there was no further determination of the question of an election. As Minister of Reconstruction I was asked to advise on the point and my advice was quite definite. It was, that if the war continued we ought to carry on if Parliament continued to give support, but that if there was any doubt as to this there should be no hesitation about an election. Apart from this, *whenever hostilities came to an end there should be an election as soon as possible*

The holding of the election in December, 1918, has perhaps given rise to as much acrimonious controversy as the holding of any election. It had been our business at Reconstruction to examine with detailed care the difficulties that would arise in the immediate post-war period. The situation was troublesome and often difficult enough as it was, but whatever the result of the election might be it was certain that no Government which, by its own act, had prolonged its life already three years beyond the allotted time and was based upon a franchise far less representative than that which had now become the law, would be able to cope with the post-war situation with sufficient authority either in the Peace Conferences abroad or in the industrial sphere at home. Some of the special anxieties and considerations that pressed upon us will be referred to in the next chapter, but it is difficult to believe that any person possessed of substantial experience of public life can believe that any Parliament so constituted would have been able to deal with the difficulties that acquired prominence very soon after the war. There would have been a breakdown of the parliamentary machine before the Peace negotiations had been concluded and during a time of turmoil at home. The right thing clearly to do was to make complete arrangements for securing votes for soldiers who had not been demobilised and for holding an election on the basis of the new register. There was a considerable Press Campaign on the subject as early as August, 1917. The *Morning Post* and some leading Conservatives, amongst whom Long and Downham were credited as being active, were strongly against an election, and in this they were encouraged by that section of the Press that supported Asquith.

Those members also of the Conservative Party who can never seem to learn anything began pressing us for a general tariff policy. It is scarcely necessary to say that their advances received no encouragement. Lloyd George was never more persistently disposed to procrastinate than about this time, and his position in the Cabinet

was nothing like as strong as it was in the country. If it had been, there is no explanation creditable to himself for the delays which he continued to impose on decisions on some matters of policy, including Ireland, that had been very pressing for some months. In our conversation at Criccieth on August 22 he recognised, I think, that an election was probably inevitable, and Dudley Ward and I, at his direction, drafted some conditions as applicable to parliamentary contests and he expressed his approval of them. At the same time we drafted a number of sufficiently definite statements on future policy which, it was proposed, he should make at a forthcoming speech at Manchester. Such statements would have enabled Guest to get a clear understanding as to who were supporters or not, and they might indeed, as they were of a thorough-going progressive character, have done something to promote Liberal Reunion.

After this there ensued another period of indecision and, so far as I had any time for those matters, I did what I could to try and get an arrangement arrived at between the leaders, and I never could blame Younger (in view of the rapid march of events on the war fronts from September onwards) from declining to wait any longer before getting into definite shape his arrangements for a possible election. His point not unreasonably was: If you won't take steps to enunciate your policy, to determine who are and who are not your friends amongst Liberals, you must stand the consequences. I shall take no further risks.

As victories came in Palestine, the Balkans and in France, those of us who were employed on demobilisation and reconstruction tasks were more and more strenuously employed so that the next occasion on which election questions occur in my notes was on October 10, when I had lunch with Guest and Dudley Ward and found them in the same quandary as before. The Manchester speech had been duly delivered, but nothing had happened since. Guest was still hoping, somehow or other, that there would be no Liberal split and was holding his hand. On the 16th I had a long conversation with Lloyd George on the subject and repeated my advice on the question of an election. We had already prepared, as a supplement to detailed proposals, an Emergency Armistice Programme, because it was pretty evident by then that the end was not very far off as the Americans had come into full strength. I pointed out to Lloyd George that if the German Army broke up and Peace negotiations begun and an election was decided on, we should find the registration of the multitude of new voters in a very imperfect condition. Notwithstanding a good many vigorous proddings, the Local Government Board for a considerable time

previously had seemed determined that no undue haste should be imparted into the preparation of the new Register. Lloyd George called for a definite statement as to what the position was and had the report with him when he was in Paris, from October 28 to November 4. On October 28 he sent across a message to Bonar Law which meant an immediate change in the Presidency of the Local Government Board. Bonar Law and I agreed that his letter could not be used as it was, but the result was that Downham resigned the chairmanship of the Board and became Chancellor of the Duchy of Lancaster

In the first week of November the issue of the war was certain, and a general election was decided upon. Several of us dined with Lloyd George on Wednesday, November 6, and he went through the statement of policy to which he proposed to try and obtain Bonar Law's concurrence.

From that time onwards to the inaugural Coalition meeting of Saturday, November 16, events moved rapidly and along the usual paths. Up to the evening of our meeting of November 6, attempts had been made (so I was told) by Reading and Gordon Hewart to come to some accommodation with other Liberals on the basis that Asquith should become Lord Chancellor and certain of his other colleagues should enter the Government. I was not cognisant of the details of what took place. Success would have been most welcome, but, personally, I never expected it to succeed, seeing the ill-temper and personal issues that underlay the differences. Reading reported his failure with real regret. Perhaps the failure was more attributable to some of Asquith's colleagues than to Asquith himself. At all events, it is fair to say that Guest had postponed action with this possibility before him until we were on the very eve of an appeal to the country. At the beginning of November Auckland Geddes was sent to the Local Government Board to try and speed up registration arrangements, and a final comment on November 5 may be quoted—

"As I have said in this diary many times when I have discussed the matter with L G, I have always taken the view that it was quite impossible for any Government with millions of new electors to see the country through the dangerous reconstruction period unless it had a fresh mandate of the people before it. No moribund Parliament, years beyond its proper term, with the whole new and unrepresented electorate, could undertake it."

The general anticipation before the election was that the Government would have a majority of about a hundred in the new Parliament, and nobody of any party had the slightest expectation that the result would be the wholesale disappearance of the political opponents of the Government that it was. It was the most listless

and apathetic election, so far as I saw anything of it, that I have ever known. The Government's Programme for Post-war Development was far-reaching and courageous, and indeed gave little opportunity, with the temper of the time, to political opponents.

How the wonderful opportunity thus gained was undermined and wasted may some day be recorded, but I believe that at the time men of all parties were determined and sincere in the promises they made to the people.

## CHAPTER XVIII

### THE CABINET SYSTEM DELAYED DECISIONS THE MONTH OF VICTORY

The Cabinet System during 1918—Milner's Committee of March—Delays—The Two Committees of July—Sir Maurice Hankey—The War during October—The End in View and Decisions still required—Letters to the Prime Minister on the Situation—Help from Bonar Law—Smuts' Committee Established—The Difficulty over War Pledges—Settlement and Rapid Progress—Greenwood—Smuts' Great Work—Impressions of the Victory Week

**T**HE Cabinet system, as it developed during 1917 and 1918, was well designed to deal with the circumstances of the time. Haldane's report on the machinery of government contained a number of proposals which were adopted in part during 1918 when certain Ministers had their time wholly taken up with policy questions as distinguished from those in charge of the executive departments, and committees of Ministers were endowed with considerable responsibility over groups of subjects, whilst there was, in practice, a Cabinet, apart from the War Cabinet, which was called together to consider major questions of policy. No scheme, however, will work successfully unless it is heartily worked, and a good many of the difficulties of 1918 arose from the fact that this was not so.

The War Cabinet was definitely constituted as the supreme body, and many of us were called to their meetings very frequently. I cannot, myself, recall any occasion when topics were discussed of which it was thought I might have some special knowledge or interest in when I was not summoned. On all-important questions of policy there was a Cabinet summoned, and we met very often. It was a weakness that the Prime Minister did not formally constitute it, although I myself, certainly, had no ground for complaint, because I believe that I was always invited; but from its lack of regular establishment it sometimes happened that decisions were taken by a meeting thus called to which one or more Ministers who ought to have been present had not been invited. In practical working, however, this defect did not amount to very much. Our major difficulties on the domestic side of politics arose rather from the fact that the Cabinet Committee system which was theoretically

established was not heartily worked. In order to review that system it is necessary to go back to the beginning of the year.

Carson had been Chairman of a Cabinet Committee which sat constantly in 1917. It was called the Economic Offensive Committee, and the proceedings of it have already been referred to. More than once Carson expressed his conviction that it should be transformed into a body that would have authority to deal, at all events, with the economic side of what may be styled reconstruction issues, although by no means all such issues emanated from the Ministry of Reconstruction. It was with a view to preparing suitable proposals for this purpose that we had the conversation on January 21 which is referred to in the previous chapter. At that time the number of reports and recommendations relating to post-war and demobilisation issues was mounting up, and I pressed insistently during February that a Cabinet Committee should be set up to deal with them and to make considered recommendations upon them to the War Cabinet. Bonar Law heartily supported this suggestion, and on March 6 such a Committee was constituted. Lloyd George's letter constituting it is noteworthy from the number of subjects on which, as he correctly said, "early decisions are required." His letter was as follows—

*March 6, 1918.*

DEAR ADDISON,—

I have decided to appoint a small group of Ministers, with Lord Milner as Chairman, to examine, on behalf of the War Cabinet, certain proposals relating to Reconstruction problems on which early decisions are required.

There are various matters on which early decisions are required, among which I might mention Housing, Small-holdings and Land Acquisition for Soldiers' Settlement, the Discovery and Working of Minerals, Afforestation and the Ministry of Health, Transport questions—such as Development of Light Railways, the Control of Shipping and Shipbuilding—the Disposition of certain National Factories, the Support of Special Industries, and possibly also our position with regard to Dumping, with certain Labour questions that are involved in the Scheme of Demobilisation and of Trade Reconstruction.

All proposals affecting these and other Reconstruction questions addressed to the War Cabinet by departments will continue to be circulated to members of the War Cabinet, but will stand referred to Lord Milner's Committee, and the Committee will have full authority, on behalf of the War Cabinet, to obtain from the departments any further information required for their discussions.

I have told the other members of the Committee that you will be responsible for collating the information and putting it forward to the Committee with draft proposals from the Ministry of Reconstruction as soon as the matters are ready for discussion

The Committee will consist of—

Lord Milner (Chairman).

Mr. Barnes.

Mr. Walter Long.

Dr. Addison

Mr. H. A. L. Fisher.

Mr. Clyde.

In addition to the standing members, other Ministers will assist when subjects with which they are concerned are being dealt with.

Yours sincerely,

D. LLOYD GEORGE.

I was rejoiced at the constitution of this Committee, for the waiting list was growing and the pressure of war events made it difficult for the War Cabinet as a whole to have leisure to devote to other issues. There was already a considerable banking-up of delayed decisions which might have unfortunate consequences. The Committee mentioned in the letter of March 12 was an ideal one for the purpose, and I made no secret of the fact that I rejoiced that Milner was the chairman.

Not for the first time, however, was hope to be deferred. Milner had to go to the War Office, and the attacks in France put all other matters into the background, but they did not prevent the accumulation of material. For example, in April two sets of recommendations of a most important kind, affecting the resettlement of officers and civil demobilisation, were sent in by me to the Cabinet.

Carson's Economic Offensive Committee had been continued by a similar one under the chairmanship of Chamberlain. Ashfield was a member of it, and the Board of Trade was concerned with some of the reconstruction proposals which required early decision. He therefore supported me in representing to Chamberlain that his Committee might be given authority to deal, at all events, with economic issues, and Chamberlain agreed, making it a condition that he would not on any account have to deal with Housing, Health, Land, and such-like subjects. The three of us hammered out an agreed set of recommendations, and finally, on June 4, the Committee was reconstituted with Cabinet authority as the Committee of Economic Defence and Development. It was to have regular consultations on ques-

tions of economic policy and administration, with power to settle minor questions, often brought before the Cabinet in the absence of any other machinery of co-ordination, and it was to be competent to follow up decisions taken by the Cabinet with the object of securing the prosecution of policy already decided upon and for preventing departmental overlapping. Finally, and most important, it was competent to consider matters of first-class importance and to present considered recommendations upon them to the Cabinet. This Committee was constituted as follows—

Mr. Chamberlain (Chairman)

Mr Barnes.

The Minister of Reconstruction

The President of the Board of Trade

The Minister of Blockade (who would also represent the Foreign Office)

The Secretary of State for the Colonies.

The Secretary of State for India

The Minister of Labour.

The Financial Secretary to the Treasury

The First Commissioner of Works.

At the same time, because of my urgent representations of the need of some body similarly competent to deal with the questions excluded from the scope of Chamberlain's Committee, and some of which had been specifically mentioned in the Prime Minister's letter of March 6 but which were still awaiting decision—another body was set up with the title of the Committee of Home Affairs. Its personnel was as follows—

The Home Secretary (in the Chair)

The President of the Board of Trade

The President of the Local Government Board

The Minister of Reconstruction

The President of the Board of Education

The Minister of Labour

The Secretary for Scotland, and

One of the Law Officers of the Crown.

The discretion of the Committee of Home Affairs, however, was very rigidly circumscribed, and it meant that practically all the things would have to go back from it to the War Cabinet, although they would then possess the immense advantage of having received detailed consideration by the Committee and be accompanied by its recommendations. Nevertheless, so far as it



went, it was a gain. The appointment of this Committee was the outcome of my vigorous remonstrance to Lloyd George, as contained in the letter of June 5, quoted in Chapter XVI, on the Ministry of Health. By the end of June the first and long-delayed fruits of this new arrangement were reaped in that Chamberlain's Committee recommended to the Cabinet the scheme for the establishment of the Post-war Priority Council and for the final constitution of the Imperial Mineral Resources Bureau, both of these were approved by the War Cabinet at the beginning of July. My satisfaction, however, was rather short-lived, for I had not fully appreciated the effect of the strict limitation of the powers of the Home Affairs Committee.

Before I pass on and tell how our difficulties were resolved, I must interpose a brief reference to the work of that great public servant, Sir Maurice Hankey, K C B, the Head of the War Cabinet Secretariat. Hankey was always present when it mattered. He attended Cabinet meetings, the Imperial War Cabinet (which consisted of the British War Cabinet and the Premiers from the Dominions), the meetings of the Supreme Council and the many conferences the Prime Minister was compelled to have with the Heads of the Allied Governments both at home and abroad.

The mass of work that was involved for Government at that time, the innumerable memoranda, reports and summaries of information, could not possibly have been promptly available when required if it had not been for Hankey and his small, but splendidly efficient, staff that constituted the War Cabinet Secretariat. The system of recording Cabinet decisions always seemed to me to be indispensable. I understand that in the relatively infrequent Cabinets of former days, when none but Cabinet Ministers were present, no formal note was taken. It may have been suitable for those days. It certainly was out of the question in the strenuous times of war with its necessary delegation of authority to individual Ministers, or to groups of Ministers, and with the comprehensive powers exercised by the Government. I do not believe that we shall ever go back from the present system. Hankey can turn up, at very short notice, the records and decisions, the schemes and plans of work on almost every conceivable type of question, and future Ministers will often find themselves groping in the dark without such assistance. It is not many men who combine Hankey's discretion and immense knowledge, for he has been at the heart of things for years. Never did I know Hankey to be other than the head of a highly confidential secretariat. He never intervened; but, hundreds of times, he was

appealed to on questions of fact and I do not remember his being wrong. He must have had his likes and dislikes like every other man, but he was everybody's friend and helper. He is typical of the great British Public Service. We ought to be much prouder of it than we are. He had a very few assistants and they were chosen, of course, with extraordinary care. The prevention of leakage of information was developed by Hankey into that of a fine art. I would stake my existence that the gossip and reports of Cabinet discussions that have been referred to in this narrative as having found their way into the Press never came through the Cabinet Secretariat. More than once they betrayed their own origin, and on one occasion, when there was a serious leakage that was enquired into, it was the Secretariat system that enabled us to trace it promptly. The insufficient working of the Cabinet Committee system was not due to the Cabinet Secretariat. It was due to a deficiency of instructions. It was the Cabinet Secretariat that enabled the system to be worked as it was, and, for the good of our country and for the help of future Ministers, it is to be hoped that Hankey will be the head of that organisation for a long time to come.

The rapid and splendid march of events throughout the month of October meant that the close of the war issues and all their complex ramifications at home and abroad were likely to be upon us soon. Allenby's victories in Palestine and the break-up of the Bulgarians, followed by the rapid progress of the Allied offensive in France, the German Note to President Wilson and his reply, together with the reports of demoralisation and break-up within Germany itself, which became more definite and unmistakable as the month went on, showed that we must be prepared for an armistice.

The position with regard to demobilisation and immediate post-war issues was desperate indeed. The proposals were there. The arrangements for carrying them into effect were there, and many of them had been waiting for decisions for months. As soon as ever hostilities ceased a halt would be called on war-production work affecting hundreds of thousands of people and a clamour of questions would immediately arise. These should be answered in advance, and proposals for doing so had been before the Cabinet for a long time. In some cases work was to be slowed down, with short time during the period of uncertainty, in others there would soon be a great volume of unemployment and it was proposed to meet this, first, by a short holiday on full pay and, then, by unemployment donations covering six months where

ordinary work was not restarted, and the scales for different classes and their dependents were embodied in the proposals. Many enquiries from outside with regard to them were already being made, but no answers could be given.

The same condition applied to the proposals affecting demobilised officers, interrupted training and apprenticeship and to other classes whose demobilisation would come a little later. The conditions of army demobilisation had alone been settled, but their publication had been withheld for good military reasons.

Decisions were required also on the proposals for transitional period legislation if the bonds of the Defence of the Realm Act were to be relaxed. Thanks to Cave, Schuster, Sir Herbert Thring, and many more, all these were in draft but needed approval. One of the most important of them and upon which enquiries became more and more emphatic as the month went on was the question as to what the Government was going to do in redemption of its pledges for the reinstatement of those trade-union rules and practices which had been withdrawn during the war. Everyone in touch with the situation throughout the country told us with increasing emphasis that a specific government statement on this matter was urgently necessary if victory abroad was not immediately to be succeeded by turmoil and disturbance at home. Allied with these proposals, plans had been prepared for providing employment in the event of prolonged unemployment in the immediate post-war period, and unless exasperating delays were to be experienced, those who were in charge of the different sections of the work—Road developments, alternative work in Government factories, and so forth—must have authority to proceed with their plans, specifications, etc.

On an equality also with the foregoing, authority was needed for the translation into the executive stage of all those complex arrangements that had been prepared with regard to shipping, material supplies, storage, clearance of traffic, and the rest. The business men whom I had got together and arranged with to have charge of these things were fretting and fuming more and more every day as to whether they were to be required or not. Many things could wait, but all these were immediate and urgent.

Land acquisition and settlement would clearly take time, and although it was hung up as it had emerged from Cave's Committee, it was not so pressing as many others. Housing was important from the point of view of employment, but since the summer it had rested upon the much-disputed circular of the Local Government Board, and I for one was not hopeful that it would help us in the immediate future.

It is true that the war events were very absorbing and the consideration of matters connected with their conduct and possible termination in an armistice demanded continual attention from the Prime Minister and his colleagues of the War Cabinet, but I had to point out with increasing vehemence during October that we were responsible also for government in this country and that time must be found somehow, and somebody must be authorised to decide vital questions affecting home affairs. In order to make the case as compact as possible I embodied in one memorandum a summary of the pressing questions awaiting decision, and on October 24 the Prime Minister summoned a special meeting of Ministers to consider them. Some of my colleagues, notably Smuts, Auckland Geddes, Ashfield and Roberts, had a full appreciation of what was involved; but the meeting decided nothing, and to my disgust the proposed measure for the redemption of our war pledges met with unexpected opposition, but not from the Prime Minister.

It was particularly necessary to agree upon an immediate consolidation of the machinery for dealing with civil demobilisation—of which I had proposed that Stephenson-Kent should take charge—because some time would necessarily be involved in perfecting the arrangements, although I had arrived at a clear understanding with the departments as to what was to be done. On the day following this long-delayed and abortive attempt to deal with urgent domestic questions, I sent the Prime Minister this letter—

*October 25, 1918*

DEAR PRIME MINISTER,—

After what happened yesterday afternoon, I feel that there is no course open to me but to submit to you a last request that the proposals which I have made in connection with matters affecting the Reconstruction period should be dealt with and decided upon in a systematic and comprehensive way.

Yesterday, I think, you must have clearly seen that by the aid of some of the most experienced men in this country, I have been giving the most detailed and careful consideration to the matters requiring to be dealt with and have formulated proposals in the briefest possible form which deal with the vast number of issues which call for attention and decision.

The course adopted yesterday was to take hold of one section of the proposals on which I had previously reached agreement with the Ministry of Munitions (although Churchill seemed to have been ignorant of all that was contained in his own proposals) and to ignore other parts of the plans which are essential even

to them and which are equally vital and necessary for dealing with the conditions arising in the armistice period and afterwards

I have steadily kept all personal considerations in the background during the last twelve months, and do so now, but it is only fair to the great subject concerned, as well as to all those able people who have helped me to get together not only these proposals but others which will follow, that the Minister responsible should be afforded a full opportunity of setting out the general scheme, entirely apart from the affront which is otherwise put upon him. If this is not done, we are in grave peril of having a disjointed and inefficient patchwork of proposals.

I am convinced that the proposals which I have submitted, and am prepared to submit whenever there is any prospect of their being dealt with, are sufficient to secure that the problems of the time will be met in a comprehensive and sufficient manner. But if those of us who have given considered thought to the whole subject, as it was our business to do, are to be disregarded and the matter dealt with in odd bits by those who do not even seem to have given themselves the trouble to read what is proposed, it makes my task quite impossible.

I am afraid that even yet I have failed to succeed in pressing upon you the urgent importance, both in the National and in the Government's interest, of obtaining a decision on my Health Bill proposals, which I observe you have further postponed.

I am not a man happily with any special personal political ambitions, and am only desirous of opportunity for useful work, but I venture to say that during the last four years there is no man who has given you more loyal and, I believe I can truthfully say, as useful support. It is therefore not possible for me to express to you, apart entirely from the importance of the proposal itself, the measure of my disappointment, notwithstanding definite pledges to the contrary, at the disregard and lack of support which I seem to receive from you in this vital matter.

Yours sincerely,

C. ADDISON

The sequel to this letter is best quoted from the diary note—

"On Monday, the 28th, I found that L G had had to go off to Paris on Sunday night, as proposals were evidently coming both from Turkey and Austria for separate peace. I called in to see Bonar on Monday morning and told him definitely that the present position was utterly intolerable, that a vast number of great and complicated issues must be immediately decided, as an armistice was quite possible, that I must have a Cabinet Committee appointed with full authority to deal with the business, to sit from day to day, if necessary, that I must get a decision on pledges, and that, unless it

were in favour of the Government redeeming its pledges to the trade unions, I could not possibly remain, and, if I went out on such an issue, it would certainly mean that every Labour Member would have to leave the Government, and that I was finally determined, unless these matters were settled and dealt with forthwith, that I should do so

"I found that Bonar was going to Paris to join L G, and, at my request, he took an open letter to the P M, of which I attach a copy"

This second letter to the Prime Minister, of which Bonar Law was the bearer, was in the following terms—

*October 29, 1918*

DEAR PRIME MINISTER,—

You are engaged upon the settlement of matters of world-wide importance, and I only ask Bonar Law to bring you this letter to recall you for a moment to a grave domestic matter

As the responsible Minister, I am bound to tell you that the more successful you are in France, the more perilous is the state of affairs here

Unless, with regard to these vital and most urgent matters which I have placed before the War Cabinet and some of which are long outstanding, I am placed in a position within the next few days to obtain decisions and action upon them, nothing can save this country from chaos and disaster

I should be failing in my duty to you and to the country if I refrained from sending you this message, exceptional in tone as I realise it to be.

Very sincerely yours,

CHRISTOPHER ADDISON.

Bonar Law was a friend indeed, as he had often been before. The sequel was as follows, as taken from a note made a few days afterwards when the first rush was over—

"On Wednesday morning, the 30th, Smuts asked me to go and see him and said that, at a meeting of the War Cabinet the previous morning, they had decided to set up a Cabinet Committee to deal with my business to sit daily, and Bonar sent me a note to the same effect. This was something accomplished. I insisted that they should take my memorandum beginning at the beginning and work right through it. We met on Thursday, the 31st, at 11 o'clock for the first time. The Cabinet Committee consists of Smuts (Chairman), Chamberlain and Barnes, with Montagu and myself, and other Ministers as concerned."

This Cabinet Committee sat daily, and the first two questions that emerged were: What were the amounts of money to be given in the unemployment period to civil workers who would become unemployed, and what was to be done about pledges? It had

at length dawned upon the Treasury that they were interested in the subject of unemployment donation to war-workers, and a petulant note of Thursday, the 31st, is as follows—

"The Treasury had a deputation across to see me, on which — was in his most insolent mood as to my proposal as to out-of-work benefit. He suggested that we might possibly concede 14s to insured munition workers. I am not going to stand up in the House of Commons and attempt to justify 14s under present conditions. What also about the multitude of people who will be thrown out of work who are not classified as munition workers? I stamped upon the suggestion."

But the matter was not yet settled, and the end of the week confronted me with a last obstacle before securing complete authority for the Cabinet Committee. On the Saturday morning (November 2), one of our Members (whose name I will not mention for his own sake) wanted to have a Committee to go over the whole pledges question again. I flatly declined to join any such Committee, and demanded that this Cabinet Committee must be competent to decide it. In order to bring the matter to a head, I sent this message, the same afternoon, in cipher to the Prime Minister in Paris—

"War Cabinet Committee which has been sitting daily on demobilisation matters states that it has no authority to deal with the pledges question. An immediate decision must be taken, as the issue will arise as soon as material is released for post-war work. Material is now available and ought to be released. Will you please cable Cabinet Committee authority to deal with this matter? If you cannot do so, I propose coming over myself on Monday, so that my own position in this matter may be determined."

"ADDISON"

"November 2, 1918"

The Prime Minister dealt with it promptly and, on Monday, we received complete authority over all the issues concerned.

I cannot pay too high a tribute to the magnificent work which Smuts, as Chairman, as well as Chamberlain and Montagu, rendered at this time. Smuts divided the work into sections and we slaved away day after day in a back-room in Whitehall Gardens. One of the tasks he allotted to himself with me was to go through the plans for providing work and cross-examine each department on their preparedness—Roads, Timber-felling, Government Factories, and many more. I am sorry to say that our worst fears were realised when the representatives of the Local Government Board came before us on Housing. There were practically no plans prepared and nothing upon which work could be begun for several months. Smuts' comment was brief and merciless.

The Standing Council on Priority was set to work and given full authority, and from November 7, right on to the end of the month, it made magnificent progress.

The following summary may be quoted from a later note—

" We proceeded to review the various controls, as far as we could, to get in hand the simplification of proceedings with regard to speeding up the transfer from war to peace, whenever it might be required. As things are, with a multitude of war priority orders, people have to get permits for the different materials for machinery, for importation, for export, etc., etc., often from quite different departments, until there is a network of procedure to go through which constitutes, rightly enough, an elaborate series of obstacles during war, but which, when war demands cease, make expeditious resumption of peace-work an impossibility. I do not need to go into the details, but Smuts agreed upon a comprehensive amalgamation. The results of these proceedings have been that, within a fortnight or less from the declaration of the Armistice, we had got agreements with the industries and departments concerned, whereby steel and non-ferrous metals were liberated, many other control orders had been got rid of, and we had secured the amalgamation under the Board of Trade of (1) the Imports Restriction Department, (2) War Trade Department, (3) Priority Department of the Ministry of Munitions, and (4) Export Licensing Department, and had made a clean sweep of all the priority certificates required, except with regard to specified cases of urgent importance, such as Merchant Shipping Construction, Locomotive Building, etc. By the aid of Kenneth Anderson also we had arranged the importation of materials with regard to employment, on an Armistice Shipping Programme, copy of which I also attach, and I feel rather proud of the fact that, after the Armistice was declared, the shipping people on November 11 were at once enabled to go ahead with the alteration in the tonnage disposition. In T. R. Gardiner too, the Secretary to Smuts' Committee, and one of our men, we have a first-rate fellow."

A similar dispatch characterised the dealings with the proposals affecting the disposal of war stores that were dealt with by Austen Chamberlain and one or two others, and Walter Long in the same way gave effect to the proposals for obtaining supplies of peace-time raw material. A multitude of details of course remained to be dealt with by one or other of us, and all manner of questions affecting starting of work in factories, prices of materials, special emergency arrangements, and scores of topics, were dealt with.

Stephenson-Kent, as originally proposed, took general charge of civil demobilisation, and, early in December, the whole group of demobilisation problems, which had now reached the executive stage so far as the industrial side was concerned, were taken charge of by Eric Geddes.

The Cabinet Committee, after the first hesitation, had no misgiving as to our duty with regard to war pledges, and I cannot refrain from paying a tribute to the loyal support of



Balfour. He took the point, and the only point that really mattered · the British Government had promised to do this thing, and, on the faith of that promise, the men in whole groups of industries with immense reluctance, and after a thousand questionings and many disputes, had set aside their established customs on the solemn undertaking of the Government that, after the war, they should be reinstated in their rights. None of us were concerned to contend that all the practices that had been set aside were industrially defensible—some of them certainly were not,—they had arisen in the course of self-defence by organised labour, and no one had taken a greater share than I had myself in exposing the very slender basis upon which many of them rested. But it was not a question of their intrinsic merit but of the honour of the British Government. We hoped that work on Joint Industrial Councils or other similar bodies would lead to the removal or modification of many of them, but only the industry itself could decide the issues. Subsequently there was a meeting addressed by the Prime Minister, Balfour and others of us who had been parties to the original undertakings, and the announcement of the Prime Minister of our intention to pass the War Pledges Bill through Parliament gave no inkling of the hard struggle that I had had in order to secure this prompt and complete declaration, the absence of which would have undermined the confidence of the whole industrial world in the Government. It should not be inferred from this that at any time, so far as he had time to listen to the case, Lloyd George had betrayed any disposition himself to adopt a weak attitude on the subject. he had not.

The hectic rush into which some of us were precipitated in the last days of October was due to the fact that the Prime Minister had not been prepared to give his colleagues sufficient authority. Delegation of authority was the only thing that was possible in those days. The amount of war-work requiring the attention of the War Cabinet made it physically impossible for them, as a whole, to deal with all other questions, and if the letter of Lloyd George setting up Milner's Committee nine months before had been acted on, very many needless difficulties would have been avoided.

Two men from the Ministry of Reconstruction stood out alongside of Smuts through the whole of these crowded days. Arthur Greenwood in particular (now Under-Secretary at the Ministry of Health) was a tower of strength. Except for that the group of subjects relating to materials and priority which Garrod carried along with his usual unruffled efficiency, Greenwood had charge



THE RT HON GENERAL J C SMUTS

*Photo by Vandyk*



of the conduct of practically all the other urgent demobilisation work. He parcelled it out to his assistants and kept pace without hurry or fluster with the decisions which came one after another almost hourly in consoling contrast to the previous period of waiting. But, now, there could be no substantial interval between the time of the decision and the starting of the executive machinery to give effect to it, and it was in this that the men on the Staff did such superb work. In Stephenson-Kent, the Controller of the demobilisation machinery of the Ministry of Labour and the Ministry of Munitions, with the goodwill and help of the War Office, there was a chief about whose work not one of us had any anxieties.

Through all this business, however, Smuts stood out.

I was in fairly close touch with his work during his long stay in this country, and, valuable as it was many a time, he never did anything that I know of comparable to his work during November, 1918. Towards the end of the month he was practically through with it, and devolved his responsibilities on others. He was at all times very scrupulous lest he should become involved in any differences of opinion or controversies that were of a strictly domestic character. As far as he could he stood outside them, and rightly so. When he had done his work, with characteristic absence of display, he turned quietly to the next duty.

Smuts was a good friend to many of us. He was always the same level-headed and quiet colleague, but he was a most efficient hustler when he liked. One little incident connected with him somehow has fixed itself in my mind—perhaps it is because I am an Englishman and that he paid a high compliment to our race. Some time before Smuts went away, Curzon gave a little farewell dinner-party to a few of us who had worked very intimately with Smuts. There were only a very few of us—not more than half a dozen—and it was an honour to be one of them. For some reason I have omitted mentioning their names in my diary, but there was Long, and, I believe, Balfour, Bonar Law, Carson, Cecil and Maclay—at all events, a small round table accommodated all of us, and every topic that was mentioned brought up some common experience of our strenuous work together. When one reminiscence was finished there was another man ready with, "That reminds me," leading off into another set of recollections. At a time like that, Curzon, our host, was at his very best, so different from the popular notion of his austerity, and Smuts' quiet chuckling over one incident or another prompted him to give us an impression of his different audiences, wherein he paid the English race the compliment referred to. Long and I, as its only representatives, congratulated one another that at last the Englishman

had had a good word said for him. Smuts had addressed meetings in all four countries. He was greatly attracted by an Irish audience—alert, cheerful, attentive, but with an expression sometimes which told him that, whilst they liked him, they wished that he had been an Irishman. The Scottish audiences had impressed him with their strong and critical capacity, but all the same there was peeping out that excessive nationalism which is a characteristic limitation. They were conscious that they were Scotsmen and that they were listening to a Dutchman. The Welsh audience took his points before he had reached them, and he felt that their imaginative vivacity was beyond his own. They were glad that he had come to pay a visit to Wales and hoped that he would talk about it afterwards. An English audience took him as he was. They were interested and attentive to what he said, but it never crossed their minds whether he was an Englishman or not. He was just Smuts—one of the men who were helping to run the show. "They are a great race," he said, "perhaps the greatest on earth—great, because they never think of it or care twopence about such considerations. With them it is the job that matters."

On Sunday, November 17, I spent some hours in dictating notes on the stirring events of the week whilst they were still fresh in my mind. Some extracts from them may perhaps form a fitting conclusion to this book. The war had ended and this long, long tale of war doings should end with it. My own shortcomings as a writer have been with me all the time. There was so much to tell and so much to leave out. Things that are interesting to oneself are often unattractive to many others, and it may well be that some of them have occupied too much space and that other things, so familiar and ordinary to a Member of a Government that they are passed over, should have been dealt with more fully, for men and women are more interested in people than in things. These inequalities are due to a life of work that has kept one apart from the art of popular writing, it is not a thing to be apologised for, but it has been responsible for many defects in this story of political and departmental work.

It was a joy and a pride to have had so much to do in that great time. How great it was we cannot tell yet. The troubles that have arisen since are only incidents, and the conviction remains that it will mark the beginning of a period wherein many tyrannies will have been abated and a fuller opportunity in life come to be afforded to multitudes to whom it was previously denied. The brighter hope of that time is not dimmed by experience of difficulty. It is there, deep in the hearts of the people of many lands,

and some day, somehow, by faith and effort, it will lead to better and humaner conquests.

*Sunday, November 17—*

"During the conferences in Paris, which ended on November 4, the Allies had received direct offers of surrender from Austria and Turkey and had accepted terms of armistice with both of them. Thanks mainly to the efforts of Cavan's Division, our people, with the Italians, broke through the line of the Piave and, after about a week of fighting, the Austrian Army went to pieces. The terms of surrender, as one may guess, made an immense impression in the country here when they were announced in the House, still more when it was known that the Allies had drawn up terms of armistice for the Germans, if they wanted them. It was clear, from the advance which our people made, that the German Army was broken, and when later in the same week they finally gave up before the Americans near the Meuse it was because there was little fight left in their Army. Still, people could scarcely believe that the end had come, or that the Germans would not somehow or other try to prolong things in the hope of something turning up to mitigate the terms of peace in their favour . . .

"During the week ending November 8 we received more definite information than before that things were seriously wrong in Germany itself, that the spirit of discontent was becoming more and more manifest, and that the discontented were becoming organised. From the Friday to the Monday, November 11, when the German deputation was received by Foch and Beatty, there were some attempts at shuffling and a multitude of rumours and contradictions over the abdication and flight of the Kaiser and the fate of the Crown Prince, etc. Authority behind them was giving way, so that we fully expected by the time limit on November 11 that they would accept our terms, although it was almost too good to believe. Nothing came through on Sunday night, but on Monday morning Downing Street was packed from end to end with a cheering crowd.

"My unfortunate staff, instead of being able to go abroad holiday-making like everybody else, had to work overtime not only on Monday, the 11th, but all through the week. I am sure it must have been a dreadful burden to them, as indeed it was to me, as everybody else was out of doors rejoicing, but they did it loyally, and it is impossible to express one's feelings warmly enough on the subject.

"It seemed as if the whole of London, including the inhabitants of most of the Government Offices, simultaneously 'downed' tools and rushed into the streets—taxicabs, motors, lorries, buses and vehicles of every description were commandeered by joyful crowds, driven up and down—cheering, whistling, singing, rejoicing. It was, I think, the cleanest, most exhilarating, freest and best example of a great city's spontaneous rejoicing that could possibly be imagined. It was a day that I find it impossible to describe. Through the whole day, cheering and processioning went on. L.G. of course made speeches from Downing Street. I had to go to No. 10 twice during the day, and on both of these occasions, as at all other times, when I saw it, the street was occupied by joyful crowds. . . .

" This kind of thing went on—not perhaps in quite so strenuous a form—during Tuesday, Wednesday and Thursday. At nights, the crowds packed the streets. There was a little good-natured rowdyism one night, terminating in a bonfire in Trafalgar Square into which they threw a German gun on exhibition in St. James's Park. The processions at night went on through the week up to Saturday night. On that night we went sight-seeing ourselves. Crowds filled the streets from Trafalgar Square and the Strand as far as Waterloo Bridge, still dancing and singing. Thanks, perhaps, to the still prevailing liquor restrictions, I do not remember seeing anybody who appeared to be drunk, although, no doubt, like most other rules that week, the Closing Hour Regulations were a good deal disregarded.

" Coming home at nights, the most striking thing that affected one was the lighted streets at night. It seemed like a different city, and at home, too, where we could leave our blinds up and not think of raiders or of special constables coming to knock at our doors, we had the kind of domestic impression that helps us to realise great things by small.

" The daily papers of the time should be studied, as they give an impression of what was prevailing far better than I can sum it up.

" The whole thing was rather like coming out of a long-enduring nightmare into light and freedom, feeling the difference in a hundred little trifling matters from getting up to going to bed, even down to the way people in the street looked at you and spoke. There was no silly 'mafficking'—just heartfelt rejoicing, almost verging on tears, and the general feeling was how solemn and how great the occasion was."

## APPENDICES

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## Appendix No. 1

TABLE SHOWING THE CONTRIBUTION OF CANADA IN THE  
MANUFACTURE OF GUN AMMUNITION AND ITS COM-  
PONENTS <sup>1</sup>

18-pounder shrapnel—shell alone	9,559,652
18 " " —fixed amm	8,423,152
18 " " —complete rounds	16,522,646
18 " high-explosive shell .	1,515,436
18 " high explosive, complete rounds .	4,177,716
15 " shrapnel . . .	302,208
13 " " . . .	79,557
4 5" howitzer shell, high explosive	12,607,091
60-pounder high-explosive shell	1,104,312
6" high-explosive shell	11,078,534
8" high-explosive shell	753,713
9.2" high-explosive shell	783,538
13-pounder cartridge cases	1,004,011
18 " " "	34,742,180
75 mm " "	801,024
4 5 " "	11,995,215
Fuses—time	19,816,193
Fuses—graze	9,831,444
Primers . . .	35,698,176
T N T. . .	41,754,950 lb
Cordite . . . . .	35,833,657 "
Nitro-cellulose powder . . . . .	24,802,915 "
Cordite and Nitro-cellulose loaded in fixed ammuni- tion and complete rounds which is not included in above . . . . .	43,685,271 lb

<sup>1</sup> Referred to on page 104.

## Appendix No. 2

### DEVELOPMENT AND CONTROL OF THE EMPIRE'S MINERAL RESOURCES AND PROTECTION OF THE METAL SUPPLIES REQUIRED BY THE EMPIRE'S INDUSTRIES <sup>1</sup>

The object of this Memorandum is to suggest a plan whereby the mineral resources of the Empire can be ascertained and developed, with a view to meeting the metal requirements, and whereby the minerals and metals can be treated and marketed by an organisation which will be free from alien control. As a part of the plan, it is necessary that British (in its widest sense) owned properties in Foreign countries should be encouraged so as to supplement any deficiencies in Empire supplies.

#### IMPERIAL MINERAL RESOURCES COMMISSION

The first necessity is to set up an organisation, representing all parts of the Empire, capable of ascertaining the mineral resources of the Empire and the metal requirements of the Empire, and of advising what steps should be taken to meet the requirements, with power to conduct such research or experiment as it may find necessary for these purposes.

It is suggested that this organisation should be a permanent commission upon which will be represented Great Britain, the Dominions and India, that grants from each of the Governments concerned should be made to enable it to carry out its above defined duties.

This Imperial Commission should be in touch with the Department of Mines, or the Development Commissions of the States of the Empire, and should gather, collate and distribute the information obtained both as to requirements and resources.

It is desired to supplement State and individual efforts and not to supersede them. In each part of the Empire, the local authority will do what seems best to facilitate mining by removing any unnecessary restrictions and giving such financial assistance as it may think fit. In Great Britain the Mineral Resources Development Branch of the Ministry of Munitions is already giving financial and technical assistance to the development of iron ore, pyrites and zinc and is preparing to assist copper and lead.

Individuals are also being assisted by remission of excess profits taxation to set up spelter plants and to extend lead refining. But such assistance does not now form part of any concerted plan, indeed, the

<sup>1</sup> Memorandum by the Author, April 16, 1917. See page 107.

reverse is the case, for when H M G made arrangements with the Australian Government to purchase zinc concentrates for a term of years and also to give a guarantee as to the price of spelter, no similar arrangement was made regarding ores mined in Great Britain or the spelter arising therefrom

While the Commission will act as an Empire Intelligence system and bring to light deficiencies which the Government of the various parts of the Empire may by direct action deal with in part there will, it is thought, remain much to be done which would be better done by commercial interests, assisted by, rather than superseded by, the Governments

### BRITISH METAL CORPORATION

It is suggested that the further assistance being of a financial and commercial nature should be provided by a corporation working on commercial lines, but working in close touch with the Commission. Large credit or capital is required. It is not thought likely that the capital would be subscribed by private individuals during the war, so as to enable the organisation to be set up and able to operate during the war and immediately afterwards. Moreover, the power wielded by such a corporation would be such as to influence profoundly the development of industry.

The capital, say £20,000,000, should be subscribed by H M G and such of the Dominions as will participate, 10 per cent or £2,000,000 only need be paid up as the uncalled capital would ensure the credit required<sup>1</sup>

The plan of operation of the British Metal Corporation can be summarised briefly—

(1) To select mining propositions within the Empire and so far as it may be necessary to supplement Empire resources also in foreign countries and to ensure their development by assisting—

(a) Companies to be formed with capitals wholly or partly subscribed by the public,

(b) Individual owners,

(c) Local State authorities,

to work them on a profit-sharing basis  
or by the purchase of the output

(2) To assist in the establishment of commercial companies to erect and operate smelters and refineries

(3) To purchase and sell minerals and metals through a selling organisation.

### PURCHASE OF METALS

The control, i.e. prohibition without licence of the purchases of metals, will have to be maintained during the period of reconstruction so that essential industries may be rationed and adverse exchange mitigated;

<sup>1</sup> If and when it is desired to relax State control and participation, the whole or any part of the capital could be offered for subscription by the public at any future date.

it may be desirable to entrust the purchases to the British Metal Corporation or its selling organisation

### SMELTERS AND REFINERIES

The permanent control of the metal production has in the past been more influenced by the possession of smelters and refineries than by the ownership of mines and until the Empire is self-supporting in smelters and refineries it can never be free of adverse control, though meanwhile the position may be safeguarded by purchase of metals. The provision of smelting and refining capacity will therefore be one of the principal immediate duties of the metal corporations

### DOMINION METAL CORPORATIONS

Similar corporations with the same objects might be formed under Local Government auspices in the Dominions and India, each interested in the share capital and therefore in the prosperity of the British Metal Corporation or to operate in partnership with the British Metal Corporation, and if so formed, all business arising in the Dominions would be taken up by the British Metal Corporation only through the corporations of the Dominions concerned

### INTER-ALLIED ARRANGEMENTS

The Corporation will prove an easy means of making commercial agreements—as distinct from Treaties—with corporations having similar objects formed by our Allies

In order to complete the Paris Conference resolution it would be necessary also to establish an Allies Metal Commission to sit in London and to consist of nine members, three representing the United Kingdom, one each Australia, Canada, and the Cape, two representing France and one Belgium

### OBJECTS OF THE ALLIES METAL COMMISSION

1 To allocate amongst the States of the Empire and afterwards the Allied States, in accordance with the Paris Conference, metals produced in any of the States that are in excess of the requirements of the producing State

2 To arrange with the exporting States as to the allocation of the exportable surplus

3 To prepare world statistics of Metals

### CONSTITUTIONAL QUESTIONS

The plan calls for votes of money from the United Kingdom and the Dominion Legislatures to cover the expenditure of the Imperial Mineral Resources Commission. These votes may be annual votes and so the policy of the Commission may come up for review annually. The British Metal Corporation requires also a vote for the subscription of its share capital from the consolidated fund of the United Kingdom and each of the Dominion Corporations require similar votes of their own legislatures

These votes will come before Parliament once only, but as it is intended that the respective Governments should be the sole shareholders in the Corporations, as shareholders they have power to terminate the operations of the Corporations in the last resort, but the Corporations are free from most forms of parliamentary patronage, each Government ought, however, to retain the right to nominate the majority of the Board of its own metal corporation

The subsidiary companies formed to work the individual mines or to run the individual smelters or refineries would, however, as a rule have a board partly composed of persons nominated by the Corporations and partly of the other financial interests concerned. These boards would be protected from Government patronage, and so far as the subsidiary companies employed labour, the Governments would not be directly responsible for the labour so employed, although such labour would be subject to the ordinary labour laws of the State and it should be a condition that the Companies should observe the obligations of "best employers"

The accounts of the Imperial Mineral Resources Commission would be subject to the audit of the Accountant and Auditor-General and would be presented to Parliament annually, and so also might the accounts of each metal corporation. The subsidiary or operating companies' accounts would be dealt with in the usual way of joint stock companies

In the Appendix will be found a Memorandum submitted to the War Cabinet on the Prohibition of the transfer of mining properties

## Appendix No. 3

### BOARD OF TRADE COMMITTEE ON THE NON-FERROUS METAL TRADES <sup>1</sup>

#### PERSONNEL

Sir Gerard A Muntz, Bart (Chairman)  
Sir C L Budd  
Mr Clive Cookson  
Sir Charles W Fielding, K.B E  
Lieut -Colonel A J Foster  
Mr A W Tait  
Mr A H Wiggan, J P  
Mr J F Ronca, Board of Trade (Secretary)

<sup>1</sup> Referred to on page 107

## Appendix No. 4

### THE IMPERIAL MINERAL RESOURCES BUREAU COMMITTEE<sup>1</sup>

Sir James Stevenson, Bart. (Chairman)  
Sir C L Budd (Ministry of Munitions)  
Sir A Duckham, K C B (Central Reconstruction Committee)  
Professor W R. Dunstan, C M G (Newfoundland)  
Sir C W Fielding (Board of Trade)  
Mr J F N. Green (Colonial Office)  
Rt Hon Lord Islington, G C M G (Imperial Institute)  
Mr L J Kershaw, C I E (India Office)  
Sir T. Mackenzie, K C M G (New Zealand)  
Hon Sir G H Perley, K C M G (Canada)  
Mr W S Robinson (Australia)  
Rt Hon W P Schreiner, C M G, K C (South Africa)  
Dr A Strahan, F R S (Geological Survey)  
*Secretary.* Mr Oswald C Allen

Referred to on page 109

## Appendix No. 5

### EXTRACTED FROM THE REPORT OF THE IMPERIAL MINERAL RESOURCES BUREAU COMMITTEE <sup>1</sup>

#### *Section 24. Summary of Conclusions and Recommendations.*

(1) That a new organisation should be set up and be known as the Imperial Mineral Resources Bureau

(2) That its offices should be in a part of London convenient to the interests concerned

(3) That the administration of the Bureau should be controlled by a Governing Body representative of the Governments of the Empire and also of the commercial interests directly concerned in the mineral, mining, and metal industries—trade co-operation being essential to the success of the Bureau (paras 18–22)

(4) That it should be financed by the Imperial Parliament in the first instance. If it be decided at the next Imperial Conference that the Governments of the Dominions, India, and of the other parts of the Empire should contribute to the expenses of the Bureau, the proportions of such contributions might be determined at that Conference, regard being had to the importance of the new organisation being in receipt of an assured minimum income (para 23)

(5) That the following should be the duties of the Bureau—

(a) To collect, co-ordinate, and disseminate information as to resources, production, treatment, consumption and requirements of every mineral and metal of economic value

(b) To ascertain the scope of the existing agencies with a view ultimately to avoid any unnecessary overlapping that may prevail.

(c) To devise means whereby the existing agencies can, if necessary, be assisted and improved in the accomplishment of their respective tasks.

(d) To supplement those agencies, if necessary, in order to obtain any information not now collected which may be required for the purposes of the Bureau.

(e) To advise on the development of the mineral resources of the Empire or of particular parts thereof, in order that such resources may be made available for the purposes of Imperial defence or industry.

<sup>1</sup> Referred to on page 109



## Appendix No. 6

### EXTRACTS FROM THE AUTHOR'S FINAL MEMORANDUM ON THE SETTING UP OF THE IMPERIAL MINERAL RESOURCES BUREAU<sup>1</sup>

#### IMPERIAL MINERAL RESOURCES BUREAU

##### *Memorandum by the Minister of Reconstruction.*

(1) In accordance with Resolution No. XIII of the Imperial War Conference, and following the Report of a Special Committee presided over by Sir James Stevenson, steps have now been taken to establish the Imperial Mineral Resources Bureau.

(2) In accordance with the recommendations for the constitution of the Governing Body contained in paragraphs 20-22 of Sir James Stevenson's Report, the following representatives have been nominated on behalf of the Governments concerned—

*Chairman of the Governing Body  
Representatives of the United Kingdom.*

Sir Richard Redmayne, K C B  
Westgarth Forster Brown, Esq, Mineral  
Adviser to H M Woods and Forests  
Professor H C H Carpenter (President  
of the Institute of Metals)  
Dr F H Hatch (Ex-President of the  
Institute of Mining and Metallurgy)  
Sir Lionel Phillips, Bart  
Edgar Taylor, Esq (of Messrs. John Tay-  
lor & Sons, Retiring President of the  
Institute of Mining and Metallurgy).  
Wallace Thorneycroft, Esq. (President of  
the Institution of Mining Engineers).

*Canada*

Dr Willet G Miller.

*Commonwealth of Australia*

Mr W S Robinson

*New Zealand* . . .

Mr. Thomas Hutchinson Hamar, of the  
High Commissioner's Office.

*Union of South Africa* . . .

The Right Hon W P. Schreiner, C M G

*Newfoundland* . . .

The Right Hon Lord Morris, K C M G

*India* . . .

Mr. R. D Oldham, F.R S

*Colonies not possessing responsible  
Governments and Protectorates*

Mr. J W. Evans, D.Sc, LL.D

(3) Members of the Bureau.

(4) It is desirable to submit to the present Imperial War Conference

<sup>1</sup> Referred to on page 109.

proposals as to the position of the Bureau and its status in the machinery of Government

The duties of the Bureau are thus defined in the Resolution passed by the Imperial War Conference on April 23, 1917—

"The Bureau should be charged with the duties of collection of information from the appropriate Departments of the Governments concerned and other sources regarding the mineral resources and the metal requirements of the Empire, and of advising from time to time what action, if any, may appear desirable to enable such resources to be developed and made available to meet the metal requirements of the Empire "

This definition is expanded as follows by Sir James Stevenson's Committee—

*(Paragraph 24, Section 5)*

- " (a) To collect, co-ordinate and disseminate information as to resources, production, treatment, consumption and requirements of every mineral and metal of economic value
- " (b) To ascertain the scope of the existing agencies with a view ultimately to avoid any unnecessary overlapping that may prevail
- " (c) To supplement those agencies, if necessary, in order to obtain any information not now collected which may be required for the purposes of the Bureau
- " (d) To advise on the development of the Mineral resources of the Empire or of particular parts thereof, in order that such resources may be made available for the purposes of Imperial defence or industry "

(5) The constitution as suggested by Sir James Stevenson's Committee is as follows—

"The Administration of the Bureau should be controlled by a Governing Body representing the various parts of the Empire, as well as the mineral mining and metal industries. This Body should be responsible for the appointment of a Director or such other official or officials as may be considered desirable and the necessary subordinate staff within the limits of the funds available for administrative expenses " (Paragraph 19)

The Committee further suggested that the expenses of maintenance of the Bureau (being a sum not exceeding for the first years of existence £10,000 per annum) should, for the time being, be voted by the Imperial Parliament, on the advice of the Minister of Reconstruction, although the view was held by some of the Committee that from the outset direct contributions to the maintenance of the Bureau should be borne by all the Governments concerned

(6) As regards Administration, it is suggested that the Bureau should be placed under the supervision of the Lord President of the Council on lines similar to those adopted with regard to the Department of Scientific and Industrial Research, a Committee of the Privy Council and the Governing Body constituting the Bureau. This constitution and the duties of the Bureau should be defined by an Order in Council, which would also establish the Governing Body, with the Lord President

of the Council as President, and the Minister of Reconstruction (or such other responsible Minister as may from time to time be found suitable) as Vice-President. The Order in Council would also charge the Governing Body with the duties above defined.

(7) As to Finance, it is suggested that, in so far as the functions of the Bureau consist in collecting, concentrating and disseminating what may be called second-hand information, of which other Departments or agencies are the original sources, and in advising the Departments or Governments concerned as to what further information is needed, and how it should be obtained, the view put forward in paragraph 25 of the Report of Sir J Stevenson's Committee is sound, viz, that by maintaining their own institutions, which were working in closest touch with the Bureau, by appointing their own representatives, to the Governing Body, and, it should be added, by carrying out the researches recommended by the Bureau, the Oversea Governments will contribute their share of the expenses, and that the general administrative expenditure should be borne by His Majesty's Government. In so far as it should prove a function of the Department to institute special enquiries or to carry out researches on its own account, it would clearly be right that a proportion of the expenses should be borne by the Dominion and other Governments, in whose general interests the research is made. This should be arranged by establishing, under Charter, as in the case of the Department of Scientific and Industrial Research, an Imperial Trust to hold and deal with moneys which would be contributed for these purposes. The Governing Body would no doubt be able to determine the amount which should be asked for from each Government for such purposes.

As to expenditure, it is suggested that a distinction should be drawn between current administrative expenditure and the cost of special enquiries instituted by the Bureau on its own account, at the wish of any of the Governments.

As to current expenditure of each Government, a Government should of course pay the expenses of its own representative. The general expenditure should, it is suggested, be paid for in the first instance out of moneys provided by the Imperial Parliament, and arrangements are being made (as suggested in paragraph 23 of Sir J Stevenson's Report) for the provision of a sum of £10,000 by the Imperial Exchequer for the purpose of starting the Bureau. Arrangements should be made, however, whereby at the close of each financial year, the cost should be divided in an equitable manner, and recovered from each of the Governments represented on the Governing Body.

(8) The Chairman of the Governing Body will advise the Minister.

(9) Power should therefore be taken in the Order in Council to establish an Imperial Trust under Charter to hold and deal with moneys which would be placed at their disposal by way of grants in aid contributed by the Imperial and oversea Governments.

(Signed) CHRISTOPHER ADDISON.

## Appendix No. 7

### PERSONNEL OF LIONEL PHILLIPS'S ADVISORY COMMITTEE<sup>1</sup>

Sir Lionel Phillips, Bart (Chairman)  
Mr John F Allan  
Sir William Clark, K C S I , C M G (Board of Trade)  
Sir Charles W Fielding  
Mr R J Frecheville  
Mr F W Harbord, F I C , etc  
Mr E St John Lyburn  
Mr F Merricks  
Sir Harry Ross Skinner  
Dr A Strahan, LL D , F R S  
Mr Edgar Taylor  
Capt L Maurice Cockerell (Secretary).

<sup>1</sup> Referred to on page 113.

## Appendix No. 8

### COUNCIL ON PRIORITY AFTER THE WAR <sup>1</sup>

Minister of Reconstruction (President)

Sir Henry Birchenough, K C M G (Chairman)

#### MEMBERS

- Sir Kenneth Anderson, K C M G , Orient Steam Navigation Company, London, Ministry of Shipping  
Mr W A Appleton, General Federation of Trade Unions  
Mr H R Armitage, Bradford Dyers' Association, Manchester  
Mr J T Brownlie, Amalgamated Society of Engineers  
Colonel Byrne, C M G , Secretary of the War Priorities Committee  
Sir J Carmichael, Contractor, Wandsworth, London, S W  
Mr J H Clapham, C B E , Litt D , Board of Trade  
Sir Sydney Henn, K B E , Director of Priority, Army Contracts Department, War Office  
Mr W J Larke, O B E , British Thomson-Houston Company, Rugby, Ministry of Munitions  
Sir Peter McClelland, K B E , Messrs Duncan, Fox & Co , London  
Sir Herbert Rowell, K B E , R & W Hawthorn Leslie & Co , Newcastle-on-Tyne  
Sir David Shackleton, K C B , Secretary, Ministry of Labour, ex-President Trade Union Congress, and ex-Chairman of National Labour Party  
Mr Wallace Thorneycroft, Lochgelly Iron and Coal Company , Steel Company of Scotland  
Sir Alexander Walker, John Walker & Sons, Kilmarnock, Ministry of Reconstruction  
Sir J Wormald, Mather and Platt, Engineers, Manchester, Chairman of the Industries Committee

<sup>1</sup> Referred to on page 200

## Appendix No. 9

### THE ADVISORY COUNCIL ON THE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY <sup>1</sup>

#### PERSONNEL

The Most Hon the Marquess of Salisbury, K G , G C V O , C B  
(Chairman)

Sir Howard Frank, K C B (Vice-Chairman)

The Rt Hon W Adamson, M P

S Lowes Dickinson, Esq

Philip Hanson, Esq , C B

Sir R Sothern Holland, Bart

W Lander, Esq

Sir Maurice Levy, Bart , M P

Captain Sir Beville Stanier, Bart , M P

Sir John E Thornycroft, K B E

<sup>1</sup> Referred to on page 202

## Appendix No. 10

### FINANCIAL FACILITIES COMMITTEE <sup>1</sup>

*(Treasury and Ministry of Reconstruction )*

Sir R Vassar-Smith, Bart (Chairman)  
Mr E Brocklehurst Fielden  
Sir John Bradbury, K C B  
Mr A E L Chorlton  
Sir Algernon Firth, Bart  
Mr Robert Fleming  
Mr A C D Gairdner  
Mr F C D Goodenough  
Sir Alex McDowell, G B E  
Sir Alex Roger  
Mr A W Tait  
Mr John Sampson  
Mr R C Smallwood (Secretary)

<sup>1</sup> Referred to on page 203

## Appendix No. 11

### MEMORANDUM ON QUESTIONS WHICH BECOME URGENT ON THE CESSATION OF HOSTILITIES <sup>1</sup>

1 I have given careful consideration to the various memoranda prepared by the Council and by officers of the Ministry on the work that the Ministry may be called upon to undertake, immediately, or at a later date in connection with the work of Reconstruction as affecting Trade and Industry

In the collection of information and in the execution of any work that may be required, it is desirable to avoid any duplication of machinery and to promote the establishment, as soon as convenient, of such agencies as will continue to be required after the cessation of hostilities

The utmost use therefore should be made of those Departments of the Government which are specially concerned with trade and labour questions and of organisations of a suitable kind established by the trades themselves

2 The matters concerned resolve themselves into two groups, viz — those of an emergency character which will become urgent immediately upon the cessation of hostilities, and those which will affect, in a more permanent way, the well-being of industry and its increased productivity. These necessarily, however, overlap to some extent and influence one another

#### EMERGENCY PROBLEMS

3 In the first class (with which this Memorandum is solely concerned) the following subjects obviously require to be dealt with as completely as possible before the cessation of hostilities, plans prepared and appropriate machinery devised and action taken for dealing with them, viz —

- (a) The supply, purchase and distribution of *raw materials*,
- (b) The provision of sufficient *financial facilities*, where found to be required, in order to make provision for the period of transfer of war to peace industries,
- (c) *The supply and distribution of labour* and the demobilisation questions which are connected therewith;
- (d) The promotion of suitable *understandings between employers and employed*, so as to adjust the commitments to labour made during the war and enable labour freely and without restric-

<sup>1</sup> Referred to on page 205



tion to co-operate in the necessary effort of increased production ;

- (e) *An estimation*, so far as can fairly be made, of the *demands upon industry*, so as to ensure that the processes of demobilisation take place with the least avoidable unemployment and for the guidance of those who are entrusted with the charge of the arrangements affecting supplies of raw materials, credit and priority decisions in respect of imports and exports
- (f) The provision of such *information* as can be obtained from the *trades* as to those *matters* which are of *chief importance in promoting a rapid restoration of producing capacity*,
- (g) *The preparation of plans for post-war work* and the *exploration of new or increased manufacturing enterprises by the industries themselves*, and the *promotion of arrangements* whereby the period of turning over from war to peace work may be shortened as much as possible

#### STEPS HITHERTO TAKEN FOR DEALING WITH EMERGENCY PROBLEMS

4 In connection with the foregoing—

- (a) *Raw Materials*—Sir Clarendon Hyde's Committee has been at work for some time and steps are being taken to obtain the co-operation of the Dominions and of our Allies in safeguarding post-war supplies
- (b) *The Financial Facilities Committee*, under Sir R Vassar-Smith, has just commenced work and when it comes to require information of a reliable character from the different trades affected, it will find itself confronted by the difficulties arising out of the inadequacy of the present trade organisations to afford comprehensive information and guidance
- (c) In connection with the *Army Demobilisation*, the scheme of the Joint Committee has already been adopted except for certain matters still requiring adjustment which do not affect the order of demobilisation The Committee on the Demobilisation of War Workers has not yet reported
- (d) The establishment of *Joint Industrial Councils* in the different trades is necessary in order to deal with the questions arising out of the relations between employers and employed A great part of preliminary work has already been done by the Ministry of Labour, but, according to our present information, few, if any, Councils have yet been formed
- (e) Certain general information is available with respect to *possible demands upon industry*, but no systematic arrangements are yet in being to deal with it as a whole
- (f) No organisation at present exists in the different trades for affording advice on the *priority questions* which vitally affect the interests of rapid restoration
- (g) A similar condition exists with regard to the methodical *preparation of post-war plans* and the *exploration of the possibilities of new manufactures*.

## NEED FOR TRADE ORGANISATIONS

5 It is manifest from the present state of public opinion and the feeling in the different industries against centralised Government control that, so far as any machinery may be required to deal with the allocation of supplies of raw material and with questions of priority, whether of supply of material or for the execution of orders, that every effort must be made without delay to create machinery whereby the trades themselves may be competent to undertake as much of this work as possible.

Trade organisations equally are required, both for the provision of arrangements with labour and for the supply of information and advice on the subject already referred to. Just as urgently they are needed so as to be able to render assistance in an organised form in the interest of the development of the industries themselves after the restoration period, if we are to secure both industrial peace and progressive trade development.

## PROMOTION OF TRADE ORGANISATION ACTION CALLED FOR

6 Industrial Councils require for their formation the association of employers in the trade competent to make a representative contribution to the Council, together with a corresponding Trade Union organisation.

*The first necessity* therefore is that every effort should be used to promote the formation of representative Employers' Associations and of Joint Industrial Councils and the related shop and district machinery proposed in the Whitley Report and accepted by the Trade Unions and Employers.

The precise allocation of functions in connection with the work of reconstruction between Employers' Associations and Trade Unions on the one part, and Joint Industrial Councils on the other, I propose to discuss with the Section of the Advisory Council dealing with industrial organisation and with others concerned. At present, however, in view of the suspicion which appears to prevail of the Joint Industrial Councils by some Trade Union Executives and by employers on the other hand, nervous as to what they regard as encroachment on their responsibilities, it would evidently be unwise at this stage to require the Joint Industrial Council in any trade to go beyond those duties which both parties who have combined to form it have accepted as belonging to it.

At the same time, every effort should be made to promote agreement, whereby the co-operation between employers and employed in the interests of industry should be extended as much as possible.

With regard to the promotion of suitable associations of employers, and especially in connection with the preparation of *post-war* plans and the investigation of new enterprises, I propose, if suitable terms can be arranged, to secure the assistance of Chambers of Commerce, of the Association of Controlled Establishments and the British Industries Federation. So far as possible, we should aim at securing that any application affecting priority for material or otherwise for these purposes should be dealt with in a comprehensive way by those appointed by the trades themselves, although it would be inevitable that we should receive—at all events in

the early stages—a large number of individual applications I think that we should seek to arrange with the Priority Advisory Committee and the Public Service Committee for the use of their machinery, to deal with these applications on our behalf.

#### INFORMATION, COLLECTION AND CLASSIFICATION

7 *Secondly*, we should make suitable arrangements for the collection, classification and distribution of information, whether derived from trade organisations or otherwise, as well as arrange for the establishment of agencies competent to make use of the information so obtained and treated as progress develops

Information appears to be required from the following sources—

- (1) From the Trades on the matters referred to ,
- (2) From Government Departments and Public Bodies at home ,
- (3) From the Dominions, India and Crown Colonies ,
- (4) From Allied Countries, with a special reference to the needs of devastated areas ,
- (5) From Neutral Countries

In the Dominions and India, there are already established Priority Committees which have collected and advised upon demands from those countries during the war and therefore have acquired much knowledge and experience on these matters. In addition, there are in all cases the various Governments concerned and those who act as agents of commercial intelligence

The information at present obtainable as to post-war requirements from any of these sources must necessarily be, in many respects, of a provisional character. Nevertheless, as time goes on and the information is collected and classified, it will evidently become of increasing value, if made available and used at home in the proper way

8 *It is therefore proposed—*

- (1) That the Secretary of State for the Colonies should be asked to assist us in calling a meeting of the High Commissioners and others at which this Ministry and the Department of Commercial Intelligence should be represented, with a view to the collection in the Colonies of the necessary information and the provision of such advice on appropriate questions as may be called for ,
- (2) That the Secretary of State for India should be asked to join in the above Conference, with a view to similar co-operation in India ,
- (3) That the Department of Commercial Intelligence should be asked to organise a clearing-house of information and advice relating to post-war requirements from—
  - (a) Dominions and Colonial Governments and Agencies ,
  - (b) Indian Governments and Agencies ,
  - (c) Neutral countries and any special agencies connected therewith, such as the South American Railway Executive ,
  - (d) Allied countries, as apart from the needs of devastated areas ;

- (e) The devastated areas through such agencies as are set up to collect, classify and represent their requirements (In this connection, it is possible that it may be found advisable to make use of the organisation of the C I R. especially as Sir Wyldbore Smith is a Member of the Committee for the formulation of Belgian requirements and has already supplied valuable information in connection therewith)
- (f) Government Departments and Public Bodies, such as Road Board, Local Authorities, Railway Executive, etc, in this country.
- (g) Trade organisations at home

*Note*—In connection with the above work which it is suggested should be centred in the Department of Commercial Intelligence, I propose to ask the President of the Board of Trade, the Minister of Labour, and Sir Arthur Steel-Maitland, after considering this Memorandum, to confer with this Ministry, with a view to the establishment of appropriate machinery.

9 As and when the information above referred to is made available, it should be placed at the disposal of someone appointed by this Ministry, so as to enable it to be made available for—

- (a) The Committee on Materials Supply,
- (b) The Committee on Financial Facilities,
- (c) A Committee which should be appointed to consider and advise upon the various priority issues that would be raised affecting the supplies of labour, material, and the order of the execution of work with regard to any regulation which may be found to be necessary in the restoration period

The Board of Trade, the Ministry of Labour, and the Ministry of National Service should be represented on this last body (c) so that after the policy had been determined, these departments being fully acquainted with all relevant considerations and participants in the policy recommended would be enabled to deal as the executive departments with the various groups of trades which would be concerned in the application of the policy

#### CIRCULAR TO TRADES

10 After the discussion of the functions of Industrial Councils, Trade Associations, and Trade Unions, indicated as desirable in an earlier part of this Memorandum, the Ministry of Reconstruction should prepare and send to the different organisations a letter urging the importance of the rapid establishment of the Industrial Council which the Ministry of Labour is endeavouring to promote and indicate as clearly as possible the different branches of the work which we propose that the Industrial Councils, Trade Associations and Trade Unions should undertake in connection with Reconstruction.

CHRISTOPHER ADDISON.

*December 18, 1917.*

## Appendix No. 12

### OBJECTS OF THE JOINT INDUSTRIAL COUNCIL FOR THE POTTERY TRADES <sup>1</sup>

" The objects of the Council are as follows—

" The advancement of the pottery industry and of all connected with it by the association in its government of all engaged in the industry. It will be open to the Council to take any action that falls within the scope of its general object. Its chief work will, however, fall under the following heads—

" (a) The consideration of means whereby all manufacturers and operatives shall be brought within their respective associations

" (b) Regular consideration of wages, piecework offices, and conditions with a view to establishing and maintaining equitable conditions throughout the industry

" (c) To assist the respective associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed.

" (d) The consideration and settlement of all disputes between different parties in the industry which it may not have been possible to settle by the existing machinery, and the establishment of machinery for dealing with disputes where adequate machinery does not exist

" (e) The regularisation of production and employment as a means of ensuring to the workpeople the greatest possible security of earnings

" (f) Improvement in conditions with a view to removing all danger to health in the industry.

" (g) The study of processes, the encouragement of research, and the full utilisation of their results

" (h) The provision of facilities for the full consideration and utilisation of inventions and improvements designed by workpeople and for the adequate safeguarding of the rights of the designers of such improvements

" (i) Education in all its branches for the industry.

" (j) The collection of full statistics on wages, making and selling prices and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study and promotion of scientific and practical systems of costing to this end.

" All statistics shall where necessary be verified by chartered account-

<sup>1</sup> Referred to on page 206.

tants, who shall make a statutory declaration as to secrecy prior to any investigation, and no particulars of individual firms or operatives shall be disclosed to anyone

" (k) Enquiries into problems of the industry, and, where desirable, the publication of reports

" (l) Representation of the needs and opinions of the industry to Government authorities, central and local, and to the community generally "

## Appendix No. 13

### COAL CONSERVATION COMMITTEE<sup>1</sup>

*(Ministry of Reconstruction)*

The Viscount Haldane of Cloan, O M , K T (Chairman)  
Sir George Beilby, F R S  
Professor W A Bone, F R S  
Mr W. Forster Brown  
Mr Guy Calthrop  
Dr Charles Carpenter  
Mr Arthur Cooper  
Dr J S Haldane, F R S  
Mr J Kemp  
Mr Charles H. Merz  
Mr Adam Nimmo  
Sir R A S Redmayne, K C B , Home Office  
Mr. C E Rhodes  
Mr Robert Smillie  
Mr Charles P Sparks  
Dr A Strahan, F R S , Geological Survey  
Mr Benjamin Talbot  
Mr A D McNair, Board of Trade  
Mr R W Stanners, Department of Scientific  
and Industrial Research. } (Secretaries )

<sup>1</sup> Referred to on page 212

## Appendix No. 14

### RESOLUTIONS ON LAND SETTLEMENT POLICY <sup>1</sup>

(1) It was agreed that as an urgent measure of emergency, arising out of the war, and as an essential part of any scheme of demobilisation, it is necessary that land should be acquired by the State or the Local Authority for small holdings, gardens, allotments and houses for sailors, soldiers and members of the Air Force

(2) That, except to the extent for which provision for this purpose is made by the Small Holding Colonies Acts, 1916 and 1918, and by the Sailors and Soldiers (Gifts for Land Settlement) Act, 1916, the acquisition and administration of land for this purpose should be entrusted in England and Wales to County Councils who are qualified by local knowledge, and have existing staffs available for the economic and efficient administration of the work, and that, so far as necessary, the Small Holdings and Allotments Act, 1908, should be amended to facilitate this procedure

(3) That, in view of the present financial position, land for this purpose should be acquired by County Councils on long-term leases or in consideration of the payment of an annuity based upon an estimate of a perpetual rent-charge to be redeemable at the option of the purchaser and to be guaranteed on the county rate, and that cash payment should be permitted for the acquisition of the interest of a tenant

(4) That the Board of Agriculture or the County Councils, on behalf of the Board, should forthwith enquire of owners of private estates, glebe-owners and public bodies owning agricultural land, such as the Crown, the Ecclesiastical Commissioners, Colleges, Hospitals, and Charities, whether they are willing to provide land for these purposes

(5) That County Councils be asked to circularise the men of their County Regiments in order to form an approximate estimate of the number of soldiers who are anxious to go on the land and to obtain information as to their previous experience. As regards men who have served in the Navy and Air Forces, similar enquiries should be made in an appropriate way to obtain the same information

(6) That it should be stated in the Bill that in the event of the enquiry referred to in Resolution (4) proving inadequate in result, the County Council should be authorised by the Board of Agriculture to acquire land for these purposes compulsorily on the terms set out in Resolution (3),

<sup>1</sup> Referred to on page 212



and that the Small Holdings and Allotments Act should be amended accordingly.

(7) That facilities for obtaining credit should be provided, pending the organisation of Credit Banks or other approved machinery for making advances to tenants who require such aid towards the necessary capital to provide implements, live-stock, seeds, fertilisers and other requisites of the agricultural industry

(8) That the Small Holdings Act of 1908 be amended so as to relieve County Councils from their present obligation to deal separately with each acquisition, while preserving the general obligation to carry on their small-holding undertaking, if possible, without loss.

(9) That the financial arrangements between the Board and County Councils be simplified as far as possible but without increasing the contributions out of State Funds except as stated in the next resolution

(10) That where the Board are satisfied that possession should be obtained before this is possible by service of notice to quit, the Board should be authorised to pay such part of the cost of acquisition of the tenant's interest as they think proper, on the understanding that the payment of the acquisition of tenants' interests by way of compensation or other payments which do not properly fall on the incoming tenant, should be made out of Votes and should not be a charge on the scheme

(11) That a tenant should have the option at any time during the occupation of the holding to purchase the holding on payment of four-fifths of the purchase-money to be repaid by instalments during fifty years

(12) That such minor amendments should be made in the Small Holdings Act as the experience of the Board has shown to be necessary, on the understanding that the amendments required may be such as would enable County Councils to purchase a whole estate or a whole farm so as to have working margins which might involve the purchase of land beyond the extent of the applications already made.

(13) That a sum of £2,500,000 should be voted to the Small Holdings Account to enable County Councils to equip land for settlement by ex-Service men, it being agreed that a percentage of that amount should be regarded as an annual grant

(14) That the legislation should provide that County Councils will be required to undertake those duties and that the Board of Agriculture shall be authorised to act in the case of any Council which is defaulting in the performance of this duty

(15) That the general question of the acquisition of land for reclamation purposes, apart from the purposes dealt with in the preceding, should be considered when we deal with the basis of acquisition of land for afforestation purposes and for small holdings other than those dealt with in the above Resolutions

## Appendix No. 15

### SIR JAMES CARMICHAEL'S BUILDING MATERIALS COMMITTEE <sup>1</sup>

#### *Terms of Reference*

1 To enquire into the extent of the probable demands for building materials for all purposes which will arise in this country during the transition period, and the extent of the available supply and form of such material

2 To enquire how far the quantities of material now available are capable of increase, what are the difficulties in increasing them, and how these difficulties can be removed, and to report to what extent an increase in production will affect the price of materials

3 In the event of the supply of material or labour being insufficient to fulfil the total building demand, to consider the principles and methods by which the priority of various claims should be settled, and to report what steps are necessary to ensure that the manufacture of the material, so far as it is at present inadequate, shall be extended in time to secure sufficient quantities for use when required on the cessation of hostilities, and to recommend what steps should be taken during the war to facilitate a prompt commencement of building work at that time

4 Generally to consider and report upon any conditions affecting the building trade which tend to cause unduly high prices, and to make recommendations in regard to any measure of control which it may be desirable to exercise over the purchase, production, transport or distribution of material.

#### MEMBERSHIP

Sir James Carmichael, J P (Chairman).  
Sir Arthur Shirley Benn, K.B.E., M P  
Mr C B Broad  
Sir Maurice Bonham-Carter, K C V.O., K C B  
Mr J Good  
Mr W J Jones, C B E  
Mr J Walker Smith, M Inst.C.E.  
Mr. J Storrs, J P  
Sir John Tudor Walters, M P  
Mr H D Searles Wood, F R.I.B.A

<sup>1</sup> Referred to on pages 215 and 219



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